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Massachusetts.
State Board of Trade.

Conference on federal regulation of railways...

[Boston?]

[1917]

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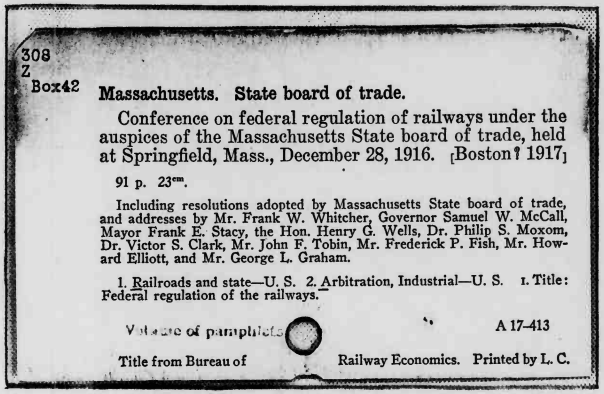

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Massachusetts. State board of trade.

Conference on federal regulation of railways under the auspices of the Massachusetts State board of trade, held at Springfield, Mass., December 28, 1916. [Boston? 1917]

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Including resolutions adopted by Massachusetts State board of trade, and addresses by Mr. Frank W. Whitcher, Governor Samuel W. McCall, Mayor Frank E. Stacy, the Hon. Henry G. Wells, Dr. Philip S. Moxom, Dr. Victor S. Clark, Mr. John F. Tobin, Mr. Frederick P. Fish, Mr. Howard Elliott, and Mr. George L. Graham.

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Conference on

Federal Regulation of Railways

under the auspices of

The Massachusetts State Board of Trade

held at

Springfield, Mass.
December 28, 1916

LIBRARY OF CONGRESS CARD A17-413

Including Resolutions Adopted by Massachusetts State Board of Trade, and addresses by Mr. Frank W. Whitcher, Governor Samuel W. McCall, Mayor Frank E. Stacy, The Hon. Henry G. Wells, Dr. Philip S. Moxom, Dr. Victor S. Clark, Mr. John F. Tobin, Mr. Frederick P. Fish, Mr. Howard Elliott, and Mr. George L. Graham.

MASS MEETING OF MASSACHUSETTS BUSINESS MEN, HELD AT THE SPRINGFIELD, MASS., AUDITORIUM, ON DECEMBER 28, 1916, FOR DISCUSSION OF THE TRANSPORTATION PROBLEM. AUSPICES OF THE MASSACHUSETTS STATE BOARD OF TRADE

2.30 P. M. SESSION

President Frank W. Whitcher: Gentlemen, in view of the vital importance of the railroad situation with which our country is presented, a meeting of the National Councillors of the Chamber of Commerce of the United States was called, to be held on the 17th and 18th of November. That meeting was called to discuss the railroad controversy, with a view to making recommendations to Congress regarding measures of relief for the benefit of the public. There were present at that meeting representatives of over four hundred national trade and commerce organizations. Speakers were present who were acquainted with every phase of the railroad situation. Their words were followed with the greatest attention, and they were intensely interesting and instructive. Everybody there felt that never again should the possibility arise whereby the wheels of transportation could be stopped, as it appeared likely last August. It seemed to us that should the wheels of transportation be stopped there would result not only a national crisis, but it would also produce a national calamity; for if the food products of the country were cut off, even temporarily, great suffering would ensue. If the raw materials could not reach the mills they would be obliged to shut down and labor would suffer. Such a crisis could not be permitted.

The railroads are like the great trees. As the country has grown and the railroads have reached out over the

country the cities and towns have grown along with them, and as the leaves of the tree would suffer if the sap could not reach them, so would the cities and towns suffer if transportation could not carry to those cities and towns the food and products necessary for their existence.

When the councillor of the Massachusetts State Board of Trade, ex-President John H. Corcoran, rendered his report to our Board the gravity of the situation was realized, and it was felt that the Massachusetts State Board of Trade should take some positive action. In discussing what means should be taken, it appeared that a mass meeting would be the better way to express the business sentiment of the country. A committee was appointed with full powers. We wired the Chamber of Commerce of the United States that such a meeting was contemplated. Back came the reply: "By all means hold the meeting, and hold it immediately if possible." The committee came to Springfield. We stated the case to his Honor, Mayor Stacy, and to the secretary of the Springfield Board of Trade, Mr. Foss. And they said: "Have the meeting surely, and we want you to have it in Springfield. We have here an auditorium which will care for any number of people. We took care of the twenty thousand people at the National Dairy Show this fall, and we can take care of every gathering that you can bring here. We have splendid hotel accommodations. There is no reason why you should not come to Springfield."

There was another reason in the minds of the committee why we were glad to welcome the invitation to Springfield, and that is that the people from the eastern part of Massachusetts might be brought up here and meet the gentlemen of this city who have such a splendid public spirit and who are doing so much for Hampden County and for Massachusetts. This city already has received the honor of being the first district to receive the farm loan arrangement and bank, which our Government has just about undertaken. That alone, gentlemen, will do much for Western Massachusetts. In fact, for the whole of Massachusetts and New England.

The public spirit, gentlemen, in this section of the State seems to permeate the very atmosphere, and your committee felt that to bring you here to rub elbows with the people here you would imbibe some of the public spirit which you would carry back from this grand old State and help to develop amongst the people everywhere the same public spirit, if possible, which exists in this and the surrounding sections. (Applause.)

And, gentlemen, we have been sending invitations broadcast over the State. You are here in response to those invitations, and it is certainly a very great pleasure to the members of the Massachusetts State Board of Trade to see such a representative body of gentlemen who have been willing to give up their time to come here at such an inopportune season of the year to discuss this very necessary subject.

There are members here from Boards of Trade and Chambers of Commerce all over the State. There are members from the Boston Chamber of Commerce. Although the by-laws of the Boston Chamber expressly prohibit being bound by any such acts as this, they have already had referendums on two subjects, and it is unlikely that any action will be taken at this session which cannot be fully endorsed. Secretary Reed said: "I fully intended to come, but unfortunately business matters have come up which prevent me. But I wish you to present my hearty wishes for the success of the meeting, and tell your members that I am in full accord with this gathering."

This meeting that is called to-day is not to antagonize labor; not to favor the railroads, but to ascertain facts and to act for the good of all of the people of Massachusetts after receiving those facts.

When it was thought advisable—in fact, when we hoped that we might have the presence of His Excellency the Governor here—the President of your Board, Secretary Fiel and his Honor Mayor Stacy went to the State House and asked the Governor if he would come to Springfield to attend this meeting. His answer was immediately

"Yes." When we asked him if he would preside at the afternoon meeting, again came his answer with no hesitation, "Yes." And, gentlemen, in spite of the fact that his time is limited in which to write his inaugural address—for, as a matter of fact, he brought his stenographer on the train with him, and has been working all the way up to Springfield—he has kept his promise and he is here, gentlemen; another example of the way—one of the many ways—in which he is serving this grand old State after an experience of twenty years at Washington, and after meeting with the governors of many other States and bringing to us as he has this afternoon his broad experience in governmental affairs.

Gentlemen, he needs no introduction to a body of business men of Massachusetts, and I have the honor of resigning the chair to His Excellency Governor Samuel W. McCall. (Applause.)

Governor McCall: Mr. Chairman and Gentlemen: The name of the good causes that have friends in Massachusetts is legion. I did not experience until a year ago in how many great social activities our people have engaged, and it is impossible for one governor—I think it would be impossible if the State had two governors—to be present upon the occasions that are really important and where some good cause is represented. But when your President and the Mayor of Springfield called upon me and told me the object of your coming together here to-day and asked me if I would be present and show my interest in it by presiding, I said without hesitation that I would be glad to come, although it is with a good deal of inconvenience that I am here to-day.

But I am here because I believe that there is no public question that more profoundly interests the public of Massachusetts than the question of transportation. Lord Bacon spoke of the most interesting things in civilization, and he mentioned as one of the most important the moving of men and of goods from one place to another place. That represented the idea of commerce. But to-day commerce from having been a mere occupation has become something that is necessary to our existence. One or two generations ago our communities were self-centered and independent. They raised the food that they ate; they raised their wheat and had their mill to make it into flour. They raised their beef; they raised the wool which was spun in the households, and they were entirely independent and could live among themselves. But on account of the introduction of modern systems of transportation we have emerged from that condition of affairs, and no community in New England now—certainly the Commonwealth as a whole—cannot live by itself alone. We have to bring the flour out of which our bread is made from Minneapolis; our meat comes from Chicago, where it is manufactured from cattle from Texas. The wool comes from Utah and the Far Western States; the cotton comes from the South, and we are absolutely dependent for our living upon what we get from distant places. And so transportation has become a matter of great necessity.

Now Massachusetts has the sea, and in the old times before the internal commerce of the country was developed she was almost supreme among the colonies and in the early days among the States of the Union, because she had a hardy breed of sailors and the ships from the ports of the Commonwealth went over the whole globe. Now our commerce has gone by. It is unnecessary and it is hardly pertinent here to-day to discuss why it has gone by, but our commerce on the sea has practically become obsolete, and I trust that will not continue long, as applied to Massachusetts, for from it we had such great advantages. On account of our dependence upon this transportation, having our source of supply in the distance from which we draw our raw materials, and then after that manufacturing them, having our markets where we sell those manufactured products in the distance, Massachusetts is at a great disadvantage with the other States of the Union. From a position of advantage, we are to-day, from our location in one corner of the country, at a great disadvantage, because we are farther than most of the

producing centers from the source of supply of raw material, and we are also farther from the markets that buy the finished product. And so it is a matter of great importance that we should have discussed—that the business men of Massachusetts should have discussed before them, for they in the last analysis are responsible for public policies and for legislation—that they should have this important question discussed before them.

Now this is not a meeting, as I understand it, that is called in favor of any side of the question, except simply the public side. I represent the public. We want to know what can best be done to serve the public and to meet the great ends for which these carriers were established. Nobody is here in hostility to the railroads. Nobody is here in hostility to the men who operate them, but we are here for a common purpose—to have the subject looked at from different viewpoints. And so I say that I felt that the great importance of this question required here to-day the presence of the chief executive of the Commonwealth. Not me, but simply because of the office that I happen at the moment to hold.

I think that Springfield is a good place in which to hold this meeting. I was here last February when they were having the preliminary meeting in order to get here the National Dairy exhibition—one of the greatest exhibitions of livestock that is held, the very greatest that is held in the United States, and I believe probably the greatest ever held in the world. I came to a meeting where there were men from different parts of New England, and it was necessary to raise a large sum of money in order to have this exhibition—I think something like three-quarters of a million dollars. I do not know whether Mayor Stacy put that money up, but I know that in an incredibly short time the public-spirited men, and chiefly the men who live in Springfield and this vicinity, raised that great sum of money, and as a result Springfield last fall had as great a dairy show as was ever held on this continent.

And then to aid this subject, this discussion, it was

arranged by the president of the Massachusetts Board of Trade, that this discussion should take place here at Springfield, and I am glad to be here in a town that is establishing itself as one of the greatest civic centers in the Commonwealth and in the country. (Applause.) That shows a willingness to promote great objects like these that are fundamental in the prosperity of the Commonwealth.

There can be no better subject discussed for the farmers of Massachusetts, no better subject illustrated than the exhibition of such livestock as they had here last October. And, as I said, there can be no discussion of a more important question for the Commonwealth at large than the discussion of this subject of transportation, and it now becomes my pleasure, gentlemen, as your presiding officer to introduce to you the Mayor of this beautiful city of Springfield, who will extend a few words of welcome.

Mayor Frank E. Stacy: Your Excellency, Mr. President, members of the Massachusetts Board of Trade and friends: The honor that is conferred upon me this afternoon in coming here and extending to you the greetings of the city of Springfield is a great honor and a pleasant duty, and I am very grateful. Of course, it is always a pleasure for me to welcome and to bring to our governor the greetings of the city. We love him up here.

We are having Shakespeare in this city this week—Mr. Mantell is giving us a week of Shakespeare—and I happened to think that I believe it was that gentleman who said "Brevity is the soul of wit." So it is up to me to be brief. We had Othello last night, and I thought of a little story that was told of one of the barnstorming companies who took Shakespeare's play on the road down into the Southern cities. They were playing Othello and they were before one gathering. There is one place where the actor says: "Desdemona! Desdemona! give me back that handkerchief!" The actor said his line and he couldn't think of the rest of his speech, so he repeated: "Desmona! Desmona! give me back de handkerchief!"

But he could not think of any of the lines that followed, and he began again: "Desmona! Desmona! give me back de handkerchief!" Some voice up in the gallery shouted, "Oh! wipe your nose on your sleeve and let the play go on." (Laughter.)

Now, gentlemen, in view of the remarks that have been made, and of the program which you have here, I know you feel the same way, and I would be ungrateful if I had anything to offer relative to Springfield. We are glad you are here. We are glad you have chosen this place, and I want to thank the Governor for the kind words he has said about Springfield. We appreciate them. But Springfield realizes that it is a part of Massachusetts, and just one portion, and we are trying here to broaden ourselves, and if in broadening ourselves we are broadening the State we are well repaid.

Gentlemen, I know of nothing else that I could add. We are simply here in this line this afternoon. We had the Dairy Show. We are out for other organizations, but we are glad that you have come here this afternoon. We are heartily in sympathy with you, and are glad that you have come here to see what we are doing.

I could tell you of many efforts, of many good things, but time will not permit. Gentlemen, we are glad you are here, and in behalf of Springfield I want to extend to you our heartiest greetings.

President Whitcher: There is a duty to be performed, and I move that a committee on resolutions, to prepare resolutions for consideration of this conference, be appointed.

Chairman McCall: You hear the motion.

Mr. John H. Corcoran: I would suggest that the committee be appointed by Mr. Whitcher. (Motion seconded and carried.)

Mr. Whitcher: With your permission, I will give you the names of the Resolutions Committee:

John H. Corcoran, Cambridge, Chairman
Hon. Frank E. Stacy, Springfield
Frank D. Howard, Chicopee
F. Alexander Chandler, Boston
Everett Sutcliffe, Cambridge
William H. Gleason, Winchester
George C. Morton, Boston
Joseph Wing, Brookline
Thomas P. Anderson, Boston
Archie J. Osborne, Holyoke
George F. Willett, Norwood

Mayor Stacy: Before the President takes his seat, may I make the motion that a committee of six, to be known as a Follow-up Committee, to appear before the Newlands Committee if necessary in support of the resolutions of this conference, be appointed by the Chair? (Motion seconded and carried.)

Mr. Frank D. Howard: I move a committee on credentials be appointed.

Chairman McCall: Mr. Howard moves that a committee on credentials be appointed. Possibly this should have been done by the primary organization, but it can be proceeded with now. (Motion seconded and carried.) Shall this committee be appointed by President Whitcher?

Mr. Howard: I make that a part of my motion.

President Whitcher: The Follow-up Committee, which was thought advisable because of the possible assistance they could render by going to Washington and appearing before the committee—it was thought advisable to have that committee, and I would appoint:

The Hon. Frank E. Stacy, Springfield
Mr. George L. Graham, Boston
Mr. George C. Morton, Boston
Mr. Frank D. Howard, Chicopee
Mr. Archie J. Osborne, Holyoke
Mr. Frank W. Whitcher, Boston

Committee on Credentials:
Mr. Frank D. Howard, Chicopee
Mr. George L. Avery, Framingham
Mr. Chas. H. Stevens, Arlington

Chairman McCall: The committees will retire, as requested. It is too bad we should have such a large committee who necessarily have to leave the room before hearing the next and most interesting speaker. The subject is "The Legislature, the Public and Transportation."

I would not want you to infer that the Legislature is anything distinct from the public. It was established to represent the public, and I believe that it has, during the last year at any rate, for I have had the opportunity not of reading of what they did, but I can testify as a witness to what they did. I think they represented the public very well, and I present to you to speak upon that subject a gentleman who has had experience in both houses of the Legislature, and who has presided with distinction over the Senate: the Honorable Henry G. Wells of Haverhill, Massachusetts.

The Hon. Henry G. Wells: Your Excellency, the President, the Mayor and friends: As was suggested by His Excellency, the particular topic which I am here to present to you deals with the relationship of the transportation problem to the public through the Legislature.

Transportation is the movement of persons and things. A discussion of the transportation problem may include, first, the system itself. This means in the first instance purely technical problems of engineering, construction, maintenance and operation of means or mechanism. Our highly developed technical schools and native ingenuity have placed the United States on a par with any nation in this sphere of activity. This, however, is entirely outside the scope of this paper.

The second phase of the transportation system may be described as that of business methods and management. Here the United States has not always been as successful,

depending to a certain extent upon experience and training, rather than upon scientific preparation, and too often furnishing opportunity to those ready to take advantage of it to serve their own ends rather than to serve the railroad and through it the public. Herein is one field for the interest of the public through its Legislatures.

Apart from the system itself is the transportation service itself embracing the relationship of the various parts of the system to the whole and the relationship of the companies and inviduals performing the service to the users thereof. Here again we find a field of contact between the common carrier and the public through the Legislature.

We find in a study of this relationship that one must be a student not only of political science, but also of economics. In the old days civilization was confronted with a great problem, but it was largely of two factors—consumption and production. At first the family, then the community was almost self-sustaining, with a proper balance between these two factors. The law of supply and demand was a vital controlling incident.

To-day exchange and distribution are factors fully as important. The economic growth of the nation has been fostered by these transportation systems, and in turn the prosperity of the nation is dependent upon the success of these systems. The law of supply and demand, while still a vital incident, has been deeply affected by this additional element. Every part of the nation is dependent upon some other part of the nation, and the price of a commodity depends not alone upon the relationship of supply and demand, but also upon the facility with which that commodity produced in abundance in one part may be easily distributed to all parts. Transportation service is thus of vital importance in the exchange of commodities, but also it fosters in this way the growth of productive effort. More land is utilized, more capital is put to use, more chances for labor are available, productive areas are not only extended, but there has been specialization of effort because of the possibility of distribution.

This important phase of the question will be dealt upon by others, namely, methods by which this distributive factor of our transportation system can be improved, not only for the success of our Massachusetts industries, but also that the products of our sister States necessary for our welfare can be brought to us without delay at a reasonable cost and with some degree of uniformity of delivery. The average individual is often more concerned over a train five minutes late or an increase of two cents in fare for a thirty-mile ride than he is in the effect of the transportation service upon the cost of a commodity—unless he has to pay twelve dollars a ton for coal.

This vital dependence of the social organization upon transportation leads us to a consideration of the relationship of government, State and Federal, to the transportation service and to the management of the transportation system. There are four kinds of such service from a political science standpoint. There is the government-owned and government-operated road. There is the government-owned and privately operated road. There is the privately owned and government-operated road and there is the privately owned and privately operated road.

It is not within our province to discuss the relative merits of these four classes. Our problem in the United States is largely that of the fourth class and the degree and form of supervision or control that the government should exercise over it. The success or non-success of that control will ultimately determine whether this class will in time pass over into one of the other three classes. Whether owned, operated or regulated, transportation service is of a public nature and has so been determined by the courts.

The corporation, that is, the agency through which the railroad operates, while a private corporation, differs from the ordinary business corporation in that it serves the public. On the other hand, it is not a public corporation in the sense of a municipality. Hence there is the question of both a public and a private corporation to be considered. It is easy to lay down a general rule that

the government, through its legislative body or some other body to which the power has been delegated, shall only regulate and supervise those functions and activities of the corporation which affect the public and shall not interfere with those functions and activities which are strictly private. The difficulty is to determine what functions and activities are strictly private and what affect the public. More and more are the activities of the railroad corporation of every sort affecting the public, and more and more are the details of operation and management coming under the supervision of the government.

The government in the first instance in granting the charter of organization grants certain privileges, such as locations, the right to take land by eminent domain, a certain monopoly of business; hence it has the right to oversee the organization of the corporation. Charters are usually granted by the States, and at first were with few restrictions. Abuses crept in, and now, whether by special act or general law, there are very strict provisions. It is but a step from the approval of the original charter to the regulation of the issuance of capital stock. Massachusetts is very strict upon this point. This State requires that

First: The amount of issue and purpose for which issued shall be approved by the Public Service Commission.

Second: The proceeds of sale be applied to specific purposes.

Third: No shares of stock to be issued as bonus to bond purchasers or below par, and all stock to be paid for in cash.

Fourth: Price above par to be approved by the Commission.

Fifth: Bonds, notes and other evidences of indebtedness not to be issued to exceed twice amount of capital stock.

Other States are not as strict in their control of capitalization and the Federal government has been slow to assume any responsibility in this matter. The history of

railroad financing in the United States, speculative stock raids and poor, even fraudulent, management along this line, which has led many a road to insolvency, would seem to be ample reason for strict supervision of the capitalization of roads, even though average United States capitalization per mile is about one-quarter that of the United Kingdom. The basis of the limitation of railroad capitalization is still unsettled, there being strong advocates of the theory of original cost as a basis, that of earning capacity or the theory of the cost of reproduction. A combination of the latter two as a foundation for a proper valuation as the basis for capitalization seems to be the more popular.

Intercorporate relations seem a proper subject of governmental review. The relationship of one corporation to another can very well have a vital effect upon the public either in the manipulation of securities causing an increase in rates or in the service rendered by the transportation of people or commodities. To this end financial reports and accounts ought to be subject to supervision, and if a uniform system is the best method of obtaining results let us have such a system.

Various functions of service, such as train schedules, safety and convenience of operation, non-discrimination, all vitally affect the public and should be subject to governmental control.

A most important function which is and should be regulated is that of rates. The States to-day have power to regulate intrastate rates which do not affect interstate rates. The Federal government regulates interstate rates and can regulate such intrastate rates as indirectly affect the interstate rates. For years efforts have been made for a uniform classification of rates. If such a thing is a practical possibility without endangering present industries or upsetting the balance of locality competition then a big problem will be solved by such a method.

The whole problem of regulation, and rate regulation particularly, has one bugbear, namely, the inevitable conflict between different States and between States and

the Federal government. We shall all be glad to hear what the president of the New Haven road has to offer on that subject. Many of the troubles of the New Haven have been due to the fact that the laws and regulations of other States permitted what Massachusetts did not permit. Most railroads have often been embarrassed by directly conflicting laws and regulations of the Federal government and of the local State governments. Uniformity is to be desired even though Massachusetts may have to surrender some of its functions of regulation to the Federal government in order to secure it.

We have repeatedly referred to governmental control. This is vested in the State legislatures and in Congress. Because of the complexity of the problem and vast amount of detail required, this power has usually been delegated. Here in Massachusetts we delegate authority to the Public Service Commission under certain restrictions to regulate the railroads within the State. Having done so it behooves the Legislature to keep its hands off of such matters as have been so delegated.

Since the initial power is in the Legislature, it is proper for the Legislature to change the rules of procedure, to withdraw delegated powers or to confer new powers. It seems unwise and improper, however, for the Legislature to interfere or attempt to legislate along certain definite prescribed lines which they have clearly delegated to the Public Service Commission and to which they have given ample machinery for a proper determination of such questions, which machinery is not available for the information of the average legislator. Yet year after year we are confronted by petitions from an overanxious public to do the thing we ought not to do.

There is always the other side to this question. Railroads need regulation. The past clearly shows it. Let us try, however, not to interfere with the strictly private functions of the railroad. Let us as a public remember that in so far as we overemphasize details we hamper service and increase its cost. Let us remember that railroads are a necessity and not an evil; that the men who

own and control them are not all selfish or dishonest; that there are men striving to solve the great transportation problems for the benefit of all concerned. Let us remember that these great corporations must be managed so that labor shall receive fair wages and proper working conditions; that capital shall receive a fair return on its investment; that the service rendered shall be safe, convenient and at a return sufficient to meet those claims. Railroads are big business, but this is a big country and needs big business so long as it is properly conducted. Public opinion must be cultivated to the extent that business of any sort shall be free from attack if properly conducted, even though it be big business.

We as members of the Legislature are directors in the great business of the body politic. You are the stockholders, and as such we are responsible to you. Judge us by facts, even as you would judge these corporations. Do not expect us continually to hamper unnecessarily big business as such. Think for yourselves on these questions and give us credit for thinking for ourselves, and do not expect us to be led blindly by a demagogic appeal, simply because it happens to be a big corporation, or because big corporations are affected. Be sure there are evils to be corrected and that the legislation is wise and proper before judging us as acting unwisely. There are too many people to-day ready to condemn a corporation unheard, simply because it is a corporation. Take the necessary time to study the vital public questions. Do you realize the extent of minority rule? The future welfare of the Commonwealth depends not only on the eradication of those evils which do exist relative to big business, but also depends upon a fair opportunity for big business to carry on its functions properly and for the benefit of the entire community.

I can close with nothing better than a quotation from DeTorqueville: "No philosopher's stone of a constitution can produce golden conduct out of leaden instincts; no apparatus of senators and judges and police can compensate for the want of an internal governing sentiment;

no legislative manipulation can eke out an insufficient morality into a sufficient one; no administrative sleight of hand can save us from ourselves."

Chairman McCall: The next subject on the program is "Co-operation," by Frederick J. Hillman. Mr. Hillman is unable to be present and a distinguished clergyman of Massachusetts and Springfield, Dr. Philip S. Moxom, is to take part in the discussion instead of Mr. Hillman.

Dr. Philip S. Moxom: It is the first time I ever filled the Mayor's chair, and I am quite embarrassed. I stand before you as a frightful example of unpreparedness. This afternoon, with a program full of work, a persuasive and masterful voice through the telephone communicated something that I did not perfectly understand, but the upshot of it was I was desired to come here and speak on "Co-operation" this afternoon. And when he was told that I had no time he made some very complimentary remarks, which I will not quote.

But I am in very good company, as you know—quite in company with the entire nation. I think sometimes there are men who conceive that clergymen are like certain guns with which one company of a regiment to which I belonged was armed. We had what was known as the Spencer carbine, which by filling a tube that was inserted in the butt of the gun and putting one cartridge in the chamber gave eight successive shots. In those days that was a remarkable weapon. On one occasion we captured some Confederates, and one of them said: "When you 'uns come along who have guns like what we 'uns have we can get away with you, but when you 'uns come along who load up over night and shoot all day you are too many for us 'uns."

Now, the best that I can do is listen, and I have listened with a great deal of interest to the addresses of Governor McCall, President Whitcher, the Mayor and Mr. Wells. We are going through a marvelous change, and almost

unconsciously. Miss Frances Power Cobb wrote many years ago a book entitled "The Peak in Darien." In that book there was an essay on secular changes in human nature. Her idea was that certain changes come unconsciously and almost involuntarily without any clear sense of the forces that are producing them, and in the course of a little time humanity finds itself with a new orientation. We are more or less unconsciously in the midst of such a change. The war in Europe is bringing out the deepening sense of human solidarity. We live together on this planet, and we have got to find a way by which we can live peacefully and helpfully.

Now everyone who thinks on this matter knows that the presence of the individualistic spirit and methods in any form of human enterprise makes not only for inefficiency, but also for controversy. There may be efficiency here and inefficiency there, but the average of the whole will be below what reasonable creatures have a right to expect. It is only through co-operation—not competition, but through co-operation—with mankind that we can really attain to the greatest efficiency in living, and that co-operation must not be merely the co-operation of certain interests in groups. In that case you have only intensified the competition and made the conflict more destructive.

We have been coming into a realization of the fact that safety from the competition of definite groups is to be found in the unity of one group. It is that co-ordination of human society in which all interests shall work for a common end; when business and education and scientific research and politics all shall be dominated by that spirit which makes life a co-operative human brotherhood.

It seems to me that this is the big thing that you represent here to-day, you gentlemen of the Massachusetts State Board of Trade. It is back of every enterprise in the fields of industry and commerce. We have got to come to this philosophy at last, that it is the practical union of human intelligences, human sympathies and human wills that must be reached, so we may attain the

highest efficiency in all those activities which engage the human hand and the human heart.

Chairman McCall: I think we are all glad Dr. Moxom did not have notice, because he gives such an excellent address. He might have spoiled it by preparation.

President Whitcher: I have an idea, Mr. Chairman, that all have not registered. You understand that all are permitted to register, and cards will be circulated so that all who have not signed may do so.

Chairman McCall: Gentlemen, there has been a change in the program and two of the speakers have been transposed from the evening exercises to this afternoon. The next subject will be a discussion of the Canadian Disputes Act and Other Methods, by Dr. Victor S. Clark of the Carnegie Institution of Washington. Dr. Clark is a scholar of eminence, and I am sure that his discussion of this question will be very interesting and instructive.

Dr. Victor S. Clark: Mr. Chairman and members of the Massachusetts State Board of Trade: My allotted task this afternoon is to call your attention to some of the methods that other countries have adopted for regulating labor disputes on railways.

I presume the reason your secretary invited me to discuss this subject is that it has been my duty on several occasions to investigate these methods for the Federal government. I wish my remarks to be interpreted as descriptive and not as those of an advocate of any particular law. I think the longer that one studies and the more that one studies on the ground these various methods, the less assured he becomes in advocating any one of them; and especially in assuming that a method successful in some other country is likely or is certain to be successful in the United States. Our industrial organism is so gigantic compared with some countries that have adopted experimental and progressive legisla-

tion that it is not at all certain that it could be contained in the same sort of legal containers that are used in those countries.

I remember an incident that my father used to tell me when I was a boy of a trip he made through Yellowstone Park in the very early days when it was customary to go through with a military escort. He and some of the other officers who were with him were standing by one of the big geysers and threw their pocket handkerchiefs into it. In a short time there was an eruption of the geyser and the handkerchiefs were thrown out beautifully laundered. A couple of soldiers had witnessed this experiment with a good deal of interest. They ran away, and on their return within a short time brought back with them a couple of dirty army blankets, which they threw into the geyser. In due time the geyser returned those garments quite as well laundered as were the handkerchiefs, but separated into small fragments about six inches in diameter.

Now our big industries might go into a legislative machine that is sufficient to deal with the railroads and the industries of a small country and come out—to use the soldier's remark on that occasion—in a "chawed-up condition," much the same as the army blankets.

Government ownership, compulsory arbitration and compulsory investigation are the three legislative measures that are proposed and discussed, if not advocated, at the present time. Government ownership is not a sure remedy for strikes upon railroads. There have been very bitter strikes, strikes of almost revolutionary bitterness, on the state-owned railways of South Africa within quite recent memory. There have been strikes on the railways of New South Wales, although they are owned by the government and a compulsory arbitration law is enforced in that state. In fact, considering the magnitude of our inland commerce and of the machinery that serves it, for the past twenty-two years the United States has probably been freer than any other great industrial and democratic country from interruptions of traffic due to labor controversies.

Compulsory investigation is best known to us through the Canadian law, which it is more particularly my task to discuss this afternoon. The principle of compulsory investigation was advocated in the United States, and officially advocated, some years before it was adopted in Canada. Many of you will recall that twenty-two years ago there was a great strike on the railways centering in Chicago. You may recall the vast loss of property and the disquieting civil disorders and the toll of death that accompanied those disastrous weeks. That strike was not officered and controlled by the great railway brotherhoods, but it threw into confusion the entire industrial organism of the country, and order was not restored and traffic was not resumed without interruption until Federal troops had been summoned to compel obedience to the laws and restore order. Following that dispute or strike Congress created a commission to investigate its causes and to propose some remedy against subsequent occurrences of the same kind. That commission, as a result of its inquiries, recommended that a public board or tribunal be established to investigate the causes of labor dissatisfaction based upon railroads engaged in interstate commerce; to publish a report showing its findings; and the commission further advocated that pending this investigation and the publication of the report strikes and lockouts on such railroads should be prohibited by law. As you all know, these recommendations were never enacted into law. Som twelve years later, however, a very bitter and protracted coal strike occurred in Western Canada. At that time Manitoba, Saskatchewan and Alberta were very recently settled and the prairie farmers were dependent on the output of these mines for fuel to heat their homes. As winter approached—a prematurely cold winter with its blizzards—these prairie homes were absolutely destitute of fuel. Public schools were closed and industries using steam power faced an almost immediate suspension of operation. The Dominion government was forced in this crisis to send its officials to Western Canada, and they by moral suasion and by the influ-

ence of public opinion finally secured the resumption of coal production. Following this occurrence the Canadian government at once took steps to enact legislation that would prevent another strike of that kind. The measure proposed followed the lines of the recommendation of the Chicago strike commission at the time of the strike which I have just quoted. Mr. McKenzie King, then Deputy Minister of Labor in Canada, in recommending this law advocated it upon the ground that in any community private rights should cease when they become public wrongs, and the legislation that was enacted was intended to apply only to those industries where workers in enforcing their demands inflict a greater injury upon the general public than any possible compensation to themselves will outweigh. In other words, the law attempts to embody in legislation the principles of the greatest good to the greatest number.

The jurisdiction of the Canadian Act extends to railways, telegraph and telephone lines, electric light and power companies and to all industries that were embraced under the definition of public utilities. Coal and metal mining have been brought under the Act, perhaps a little illogically, but on account of the coal strike to which I have just referred arose the passage of the law. In other industries men are free to strike and there is no compulsory investigation, with a single exception, and that is due to the present war. An order has recently been issued extending the Canadian Disputes Act to munition workers and others employed in similar enterprises.

In any of the industries I have mentioned, if either the workers or the employers desire to change the condition of employment; if the workers demand more wages or shorter hours, or the employers desire to introduce any new regulation that affects directly the workers, the party proposing the change must notify the other party thirty days before the proposed change will go into effect. Thereupon the other party—the workers or the employers as the case may be—have the right to appeal to the Canadian Minister of Labor for a brief investigation, stating

in their application that a strike or a lockout, as the case may be, will ensue if their demands are not satisfied. The Minister of Labor thereupon assures himself of these facts, and if he finds them to be as stated he orders a board to be appointed. One member of this board is a representative of the workers; the other, the second member, is a representative of the employers, and the workers and the employers appoint a third member, although if either the workers or employers refuse to appoint him or cannot agree the Minister of Labor appoints him. It is not a salaried board. It is paid a per diem during the time it is sitting; has the powers of a court to summon witnesses and to take testimony under oath; to examine firm books and papers, though in practice that examination is usually confined to the Federal member of the board and the representative of the employers and an inspector in the works or premises involved in a strike; and to interrogate employees.

The functions of this board are, first, if possible, to conciliate the disputants. That is, to act as a friendly broker between the employers and the workers and bring them to a voluntary settlement. This is accomplished in most cases, and perhaps if you were to single out any one element of the Canadian Act that had been more valuable to Canada than any other, it would be the success of these members in bringing disputes to a voluntary settlement. Then the board may act as a board of arbitration, provided the two parties, though they cannot come to a settlement, have enough confidence to agree to abide by its findings.

The board has the third important function in case it cannot conciliate the parties and they are not willing to arbitrate. In case a situation arose, for instance, such as arose last summer on our railways. It has the authority to investigate the grounds of the dispute and to make a report to the public, stating what it considers to be a fair solution of the difficulty. Pending this investigation it is illegal for the men to strike, and it is illegal for the employers to lock out their employees. Penalties ranging

from $50, I believe, to a $1,000 for an illegal lockout—I have got the penalties here somewhere—and from $10 to $50, I believe it is, for striking, and similar penalties for aiding or inciting any illegal strike can be imposed.

The number of controversies that has come before the boards during the existence of the Canadian law—I am not reading the paper here at all, or following the paper, but I have these figures in another place—the statistics are about as follows: Up to the middle of last October 212 disputes have been referred for adjustment under the law and 21 strikes had occurred, so that about nine out of ten disputes were settled without suspending work. Of these 212 disputes, 167 were reported upon by boards or ended through their mediation and others were ended before the boards were organized. Of these disputes 85 were on railroads and 7 strikes occurred. There were 11 shipping disputes; 3 fell upon telegraph, 2 upon telephone and 4 upon light and power companies, which were settled without a single loss of employment.

In metal mining only ten out of fifteen controversies referred to boards were amicably settled by them. The reason why the success is less in the mining field is probably twofold. In the first place, the Miners' Union had been very hostile to the law, and miners are perhaps less easily controlled by their own leaders than railway employees, for instance. And the second reason is that the public for the most part has not been particularly interested in the mining disputes that have occurred since the law went into force. None of them has caused the same inconvenience as our big anthracite strike.

Nearly all of the strikes have been legally begun. That is, they are strikes that have been entered into after the boards have reported their findings, and in several cases, particularly in the railway strikes—the most important railway strike, I believe, was on the Grand Trunk—the employers have been the parties to refuse to put in force the recommendations of the board, and the men have promptly struck to enforce the recommendations of the board. However, there have been some strikes in open

violation of the law. If the law is violated the Dominion government, as a rule—well, in all cases, I think—has left the enforcement of the law either to the aggrieved parties of the dispute, who can bring action, or to the local government.

No large body of men has been put in jail for striking. I believe some 100 or 110 coal miners in British Colombia were imprisoned for a short time. One employer has been fined for an illegal lockout and a number of union leaders have been fined for advising or inciting a strike. In those cases the fine is suspended and the leaders usually cease their agitation. In Nova Scotia officers of the United Mine Workers have been convicted, both in the lower court and on appeal, for giving strike relief to members of their organization who were striking against the law.

A good many people in this country and a few in Canada argue that unless the law is invariably enforced the penalties are useless and that it would be better not to have them. If you are to take the penalties out of the law I think there would be very little opposition to it from labor leaders in this country. However, even if the penalties were enforced, neither side to a controversy vitally affecting the government dares openly to defy the law. It puts too powerful a weapon in the hands of their opponents and it prejudices their case too much in the court of public opinion. There has been no great strike in Canada in opposition to the law, and I think there never will be.

It has been some years since I personally visited Canada for the express purpose of investigating this legislation. Incidentally, I made a few inquiries while on a vacation trip last summer, but they were not of a kind to cover the field. When I was there I went through all the provinces two years in succession to study this question and found the general public and practically all employers backing up the law with very little reservation. It seemed to me from the number of working people I interviewed that the mass of the rank and file of workers favored the

law. There was some opposition from union officials. That opposition was more marked in case of the international unions than in case of the Canadian unions. It is very natural for the executives of the United Mine Workers and the Federation of Miners, the Western Federation of Miners, and for the great railway brotherhoods over here on this side of the border to oppose a law that makes necessary a definite kind of negotiation in case of a prospective strike or any effort to establish a certain wage scale on both sides of the border. Of course, the Canadian law makes it practically impossible for these organizations to call a sympathetic strike in Canada to enforce a demand on this side of the border.

I think my time will allow me, and perhaps I will go more into detail if there are no objections. I am simply speaking now of conditions of sentiment as I found it. There was not any outspoken criticism of the law. In 1910 the original act was amended. At that time the Minister of Labor read letters in Parliament—which you will find in the American Hansard for 1910—he read letters from the representatives, from the brotherhood of locomotive engineers, the railway trainmen, of maintenance of way employees and from the order of railway telegraphers; all commending the existing law and the proposed amendment. The president of the brotherhood of maintenance of way employees characterized the act as "one of the best pieces of legislation that has been passed to my knowledge in the interest of industrial peace." In 1912 Sir George Ashcliffe investigated this law for the British Board of Trade. He was selected to make this investigation because he had had a wide experience as a councillor and arbitrator in Great Britain itself. He was thoroughly familiar with the practical side of labor arbitrations. In his report he says that the representatives of railway labor in Canada appear to recognize that the holding up of a railway system by a strike was a procedure justifiable only as a procedure of last resort, and that it was due to the public that every possible step be taken before recourse was had to a strike. The acceptance of the theory that the public have a right to be informed impartially on the merits of the question that gravely threaten their welfare, and the spirit of the Disputes Act has been so far adopted by those concerned with the Canadian railway systems as to place the country in almost as safe a condition against serious stoppage of traffic as it is possible to reach.

This year the Trade and Labor Congress in Canada passed a resolution asking for the repeal of the act. There are two rival organizations in Canada, the Trade and Labor Congress and the Canada Federation of Labor, which is composed very largely, or perhaps entirely, of all Canadian unions. The Canadian Federation of Labor last year passed a resolution in support of the act. The kernel of the labor hostility to the Canada law centers around the prohibition of strikes, but a number of other objections are made to its application in this country.

I want to emphasize the fact that the Canada Arbitration Law is not a compulsory arbitration act. In boards' reports of labor meetings and in public discussions of this question I have myself heard the law referred to repeatedly as a compulsory arbitration law. Of course, it is no such thing. A compulsory arbitration law is a law that compels parties to a dispute to submit their dispute to a public tribunal and then to obey the award of that tribunal for all time, and you can see from what I have said that the Canadian law does neither one of these things. They are compelled, it is true, to submit every dispute, in a way, to a tribunal, but they are not compelled to submit their dispute as if to arrive at a final settlement.

The first objection to the Canadian law by our labor leaders is that it is unconstitutional. I think the President probably disposed of that argument, so far as a layman need treat of it, in his message to Congress. Personally I should feel as much opposed, and I think all of you gentlemen would, as any labor leader, to establishing compulsory servitude in this country, but a railway signalman cannot leave his duties in such a way as to en-

danger life and property in transit. A sailor cannot desert a vessel so as to endanger it during its voyage, or even to prevent its completing its voyage. Labor unions themselves limit the right of their members to accept employment and to retain employment and to leave employment. Our labor laws, especially those relating to women and children, condition the terms of employment in many ways. We are constantly and increasingly hemming around the working conditions of labor new limitations. Now the Canadian law simply adds one more to those limitations. It simply says, "If you accept employment on railways serving the general public on public service railways, you may leave any time you please as an individual, and individually you cannot be made a slave, if you want to put it that way, but you cannot organize to interrupt that traffic on those railways in order to enforce a labor demand." Most of us know that the demands last summer made by the railway brotherhoods affected only a minority or a fraction of the membership of the brotherhoods. You know that one of the objections to arbitrating the question was a fear felt by the railways that they would have to submit to some outside tribunal an eight-hour principle where they already had attained it. Now, consequently, last summer the brotherhoods organized and tried to enforce a demand in which only a part of their members were personally interested. That is certainly a different thing from regulating the condition of employment of every individual on the road. That is a different thing from the employees being free to leave and accept employment as individuals.

However, the objections of labor leaders go further than that, and many of them are probably very well taken. Their objections to the arbitration boards established by the Newlands Act apply with equal force to the boards as at present constituted. They say, very properly I think, that the workers are put to a very large expense to educate the neutral members of these boards in the elementary principles of railway operation. They have to accumulate a lot of testimony; they have to lose a lot of

time to inform the chairmen of the boards, who are men perhaps in private life, and who know very little of running railways; to inform those men upon the elementary questions that are not a part of the negotiations with the employers. They don't have to take into account at all things that are matters of common knowledge. Then, as a natural result of that, they often pronounce unworkable awards. The Canadian boards cease to exist as soon as they have made a settlement of a dispute or reported a finding. That leaves the application of the agreement that ends the dispute entirely in the hands of the railway managers, and the workers complain, probably with justice, that this is very much as if a judge in a law suit left the enforcement of the decision entirely with one of the parties to the law suit. These objections, based on experience with arbitration boards in this country, have prejudiced our labor unions against the Canadian Act, and if any legislation along that line is adopted in this country those difficulties should be overcome so far as possible.

A few weeks ago I was present at a meeting of the committee of the Civic Federation to consider this legislation, at which the heads of four of the largest of the brotherhoods were present. They seemed favorable to the establishment of a commission or a committee, possibly as part of the Interstate Commerce Commission, consisting of men having a practical knowledge of railway operations; perhaps containing former railway managers, if they could be procured and if the government would pay a high enough salary to get such men on a board, to investigate the grounds of labor controversies on railways and to report a finding. Such a board ought to have the same powers of summoning witnesses and of taking testimony under oath, and so forth, that the Canadian Industrial Disputes Boards have, but they would not need to use that power to the same extent. They would not have to take so much testimony, because they would already know a great many things that any temporary board could not possibly know—at least the Federal members could not know.

However, the brotherhood representatives were opposed to giving this board power in such a way as to make strikes illegal during the investigation. Their objection to making strikes illegal is that there is a psychological moment for striking. They say a strike is like the assault of an army corps. Unless it is made at just the right moment its chances of success are very greatly impaired. However, it would be impossible at the present time for the railway brotherhoods to prepare for a strike without giving their employees long notice beforehand of their intention. They would have to procure authorization to strike through a referendum. We know that last summer as early as May or June people at all familiar with the negotiations between the railways and the government knew that a strike was impending, and I am informed that the President of the United States several weeks before the actual crisis had virtually prepared his message for Congress. I have that on the authority of Judge Chambers, who was present when that part of the message was prepared.

In the case of a great railway strike or a great railway dispute it is practically impossible to have a sudden strike, and if the authority of a wage commission or of an investigation board is limited to railways engaged in interstate commerce, personally I see no great disadvantage to labor in the legal penalties.

Another constructive suggestion has been made in regard to compulsory investigation, that a bureau be established, a statistical bureau probably, as part of the Interstate Commerce Commission, gathering data that would be pertinent to labor disputes; and gathering that data continuously so that the material would always be at hand. You probably know, many of you, that the railway associations of the three great districts of the United States have their statistical bureaus constantly gathering material of this kind, and that the brotherhoods have their own statistical agents in Washington who are collecting data to use in future disputes, for both of these organizations are partisan agencies, and the presentations they

make of this material are avowedly partisan presentations. It has been suggested that if the government would take over this department and have a statistician of repute, an unbiased statistician, at its head with two assistants, one appointed by the railroad interests and the other by organized labor, and such a group of agents and inspectors as they might need, it would be possible to get these representatives of these two sides and the Federal statistician to unite on mere statements of facts covering a very large share of the controversial statistical material presented and thus greatly economize the labor of settling disputes. Those are the two principal constructive suggestions that have been made with reference to such a law as the Canadian Act if it were adopted in this country.

However, there are one or two other features of the Canadian law that are objectionable from a labor point of view, and probably equally objectionable from the point of view of the employers. The Canadian Labor Ministry has adopted the policy of artificially separating railway disputes so as to limit them to particular systems. In this country, you know, twenty or thirty years ago strikes and labor controversies for the most part were limited to a single railway line of a single railway system, that since the passage of the Erdman Act they have been mainly confined to the great districts, the northern, the southern and the southwestern districts. Last summer not only did we have the prospect of a railroad strike, but the terms were made for including all the railways of the United States. That is the tendency of voluntary labor negotiations. That is a tendency that it is probably unwise to rage against.

Now the railway leaders are afraid that if a law were enacted the Administration might require them to separate their dispute and require them to have twenty or thirty hearings, where one hearing might do. The policy of joining these disputes into a single controversy and handling them all at once seems to me a very wise one and one in which the Canadian bar is in error. It certainly makes a great deal more work for the government

tribunals. The Canadian practice leads to unequal conditions of employment in districts where the wages and hours of labor should be the same. It also causes different conditions of employment to exist on the same systems wherever they cross the international boundary. Of course, as you know, the Grand Trunk, the Canadian Pacific, the Great Northern and other railways operate on both sides of the border. Now, it might be wise if legislation is adopted upon the Canadian lines to provide for joint sessions of Canadian ordinance boards and joint findings in disputes that cross the border. By joining these disputes, by having them apply to large systems instead of single systems, one of the main objections of the workingman might be overcome.

The first criticism of the Canadian Act that you hear from labor officials in Canada who are opposed to it is that it enables strikebreakers to be imported and preparation made for a conflict. Of course, it also allows the union to perfect their organization. But where a controversy covers a whole district of the country or the whole United States it is impossible for employers to import strikebreakers. Our contract labor laws do not permit workmen to be brought over, and they do not exist in sufficient numbers in this country. Consequently the objection that by postponing a strike or the ability or the right to strike an injustice is done to labor in the United States is very largely without foundation.

I presume there are a good many other points that a professional labor man or a professional railway man would suggest and many other difficulties in connection with this law. That controversies between labor and capital on the railways have been settled so well as they have in the last twenty-two years is due in part because so many of our railway managers are themselves ex-members of the railway brotherhoods. Mr. Willard of the Baltimore & Ohio, who has figured so prominently in the last dispute, I believe is a former member of the brotherhood of locomotive engineers.

I remember some time ago of meeting one of the arbi-

trators in a controversy who told me that he was talking with the manager who was representing the railways and found that he was a former locomotive engineer. The arbitrator told how he remarked that he supposed the manager also was a former member of the brotherhood of locomotive engineers. The manager smiled and said, "I never joined, and I will tell you why. When I was promoted to be an engineer I was, of course, a member of the brotherhood of locomotive firemen." He said: "I had such a grudge against the locomotive engineers that I vowed that I would never join the order."

There is a great deal of advantage in having the disputes on railways adjusted so far as possible by men who know so intimately—by railway managers who know so intimately at first hand—the sentiments and feelings of the workers whom they employ, and in the settlement of railway troubles in this country it seems to me that so far as possible effort should be made to utilize the experience of men of this type, and arbitration boards should intervene only as a last resort. (Applause.)

Chairman McCall: Gentlemen, the next speaker is Mr. John F. Tobin, president of the Boot and Shoe Workers' Union, who has a great practical knowledge of the questions relating to labor and who is able to discuss them very intelligently and fairly. He will speak upon the subject of labor problems.

Mr. John F. Tobin: Your Excellency and gentlemen of the State Board of Trade: I think about the only qualifications that I can advance as a student of railway problems is that I have in my time owned a baby carriage and a wheelbarrow. That is as near as I have ever come to having any knowledge of railroad business, and I was at a loss when Mr. Whitcher, the president of your association, mentioned to me that he had been asked a question as to what a shoe worker knows about railroad transportation problems.

I take it that the labor problem as applied to railroads

does not differ materially from the problems that we have in shoe manufacturing or in employment of any kind. Our problem is the problem of the human relations between the employer and the employee, and that applies in every activity in life. I was interested when I heard that Dr. Clark was going to discuss the Canadian Act and commonly known to workingmen as the Lemieux Act. If I were a lover of warfare I should have licked my chops in anticipation of disagreeing with Dr. Clark. I find that he does not endorse enthusiastically the doctrine of compulsory investigation or compulsory arbitration. He comes nearer endorsing compulsory investigation than he does compulsory arbitration.

Now there are good and sufficient reasons from the workingman's point of view why compulsory investigation and compulsory arbitration are objectionable. I call your attention to some things with which you are familiar which have occurred very recently. When this railway brotherhood strike was impending about six hundred delegates were in convention in New York. The strike was almost a certainty. The President of the United States summoned the delegates to Washington for the purposes of conference with him, and then between him and the railroad managers. They went to Washington and were there several days, and then you will remember that suddenly the six hundred delegates went to their respective homes, and I discovered while in Baltimore a few weeks ago while attending a meeting of the American Federation of Labor, where the four brotherhood chiefs appeared, why they were sent home. It developed that in the negotiations and discussions of their problems in Washington that the railroad interests were arranging their affairs in such a way as to make a strike, if one occurred, ineffectual. In other words, the railroad managements were taking advantage of the fact that the railroad brotherhood leaders were absent from their posts and they were arranging their affairs to make any strike abortive. As soon as that was discovered the railroad brotherhood chiefs who were then in Washington

arranged a code message and then departed from there to their homes. And I learned how and why this code message was arranged. The brotherhood heads were to remain in Washington to avoid the possibility of having telegrams sent out saying that the strike was off and a settlement was reached, so that the men would probably go back to work on the strength of the forged telegrams, and complications arose which made it impossible to make a strike effective. This same method was being practiced and the railroad heads conferred and went to their homes, leaving the brotherhood chiefs engaged in Washington for the settlement of the difficulty.

There is a common sentiment that the railroad brotherhoods demanded the eight-hour law from the President and he was obliged to yield that to them in order to avert the great calamity which would befall the nation, and especially the political party of which he was the head. Let me tell you that nothing can be further from the truth. The railroad brotherhoods did not feel and did not want, nor did not demand, the eight-hour day from President Wilson. They do not want the eight-hour day by legislation, and organized labor does not want the eight-hour day by legislation, because they know that this legislation might easily be followed by a change of administration, and it has occurred from time to time, and one legislature might enact the eight-hour day and another legislature the next year might reverse that and increase the hours. If you subscribe to the principle of the eight-hour day you also subscribe to the adoption of a ten or twelve hour day in a case of emergency or in case of a change of their views. There is a psychological moment when a strike may be effective, but if you allow that psychological moment to pass and subscribe to an investigation and the period of time during that investigation is consumed by the employer in preparing to make that strike abortive, then you see the disadvantage to which the employees are put. There is no corresponding disadvantage to the employer, and any proposition which you have to consider which involves relations between employee and

employer and which does not give exact measure for measure is going to be faulty and productive of disaster in the long run.

That is the trouble with the Lemieux Act. It is not workable and is impracticable. The Canadian Act does not compel any obedience to a finding of a board. The case in Ontario recently was a case of the employers refusing to comply with the act, and in the case of the Quebec miners, and there were five coal mining companies involved in that, and they failed to agree upon a member of the board of investigation and no investigation took place. The dispute continued with great and disastrous results. It is absolutely a faulty proposition, and the Canadian Trades and Labor Congress has gone on record as favoring the repeal of the law.

Dr. Clark made mention of that fact and stated that the other organization was heartily in favor of the law. The Canadian Trades and Labor Congress is to Canada what the American Federation of Labor is on this side of the line. The other organization is but a primary organization, of interest to employers largely, and confining its operations almost entirely to the city of Quebec. They are just a mere handful that holds the name of the Canadian Federation of Labor, as distinct from the international movement. The Canadian Trades and Labor Congress is international in its character, and they have a right and do speak for the workers of Canada, organized and unorganized.

Now why do I say that they speak for the labor men of Canada, organized and unorganized? I say that because they have the best right to speak for the unorganized workers of Canada. I ask you who has a better right to speak for the unorganized workers than the organized workers? Certainly, employers should not be classed as having the right to speak for the unorganized workers. Certainly, the judges and lawyers, nor even the clergy, have a right to speak for the unorganized workers of either Canada or the United States. They have not got their viewpoint, and do not know it and could not possibly

acquire it. Hence the ones who are best qualified to speak for the unorganized workers are the organized workers.

Now why should the organized workers speak for the unorganized workers? Because the whole future of the organized labor movement depends upon the attitude of the unorganized workers. They have as much to fear from the unorganized workers as the employer has. The greatest source of unrest in this country comes from the unorganized workers that are the victims of designing persons who lead them into unwise action and frequently disastrous strikes have occurred, as in the city of Lawrence and in many cities of this country. That is the danger from which the organized labor movement suffers as well as the general public.

Now we hear about the inconvenience that is thrown upon the general public. Now who is the general public. I remember very distinctly when we had the great coal strike here a few years ago when Mr. Roosevelt was President. Mr. Baer, president of the Reading Railroad Company, was a large owner of anthracite coal mines in Pennsylvania, and he is famous for having said that they were the God-given custodians of the mines, and by reason of that they should determine the wages and conditions under which the miners should work. Our government is now engaged in the task of separating this God-given custodianship from the railroads, regardless of Mr. Baer's proclamation, and I think properly so. I think this ownership of the railroad and the mines combined has some relation to the price of twelve-dollar coal. If we had labor organizations hooked up on lines of that kind you would have every reason to offer serious criticism and complaint against our method of managing affairs, but fortunately we are not in that position, and I want you to understand that I am one of those who is opposed to giving to labor unnecessary power to impose its dictum on the general public or upon the employer. It is not healthful. It is not for the best interest of the workers themselves that they should become intoxicated with power.

What is one of the greatest difficulties that the organized labor man has to contend with? What has been my greatest problem in twenty-one year of experience? To hold in control the raw recruits, the new members of the organization, and the big problems of labor in this country are being faced by the organized crafts that are dealing with raw material that goes into the organization of yesterday, with their accumulated grievances of years, and they come in to-day and expect that all the years' accumulation of grievances must be redressed, or to-morrow morning at nine they will strike. Now an ultimatum of that kind is utterly destructive to the peace of the employers themselves. I very frequently make mention of this to our organizers who organize various industries, and I often ask a man who has succeeded in organizing a body of men this question: "Have you presented a bill of wages yet?" And oftentimes he answers quite seriously: "No; but we have one prepared." We have got to handle a problem of that kind with great delicacy and care. Members of a union will come to me and say: "I don't see as our condition has bettered any since we joined the union." And after they are told that they have been in the union only forty-eight hours they will ask, "What did we join the union for? What do we pay twenty-five cents dues for?" And they draw it out and it looks like twenty-five dollars. I frequently say that labor organizations return to their membership a very much larger percentage than you get from the average bank, and if they did not they would not very long exist.

Now in reference to compulsory arbitration and compulsory investigation. Compulsory arbitration implies in its essence compulsory servitude. You may sugar cover it any way you like. It means compulsory servitude. The excuse for compulsory arbitration is to protect the public against the inconvenience that would be upon it if a general strike of railway employees should take place. Well, now, I started to tell you my experience in the coal strike. I was out on one of my long Western trips and I got home after seven weeks' absence in the month of November,

and it was extremely cold. I found my family of little ones without a piece of coal in the house, without anything in the shape of fuel, and I had to do some hustling before I got in anything at all. Finally I got some soft coal which coked in the furnace and caused an explosion. If I was asked to-day because of the inconvenience and suffering of my family and myself would I subscribe to compulsory arbitration I would say "No," most emphatically, because when I exchange my convenience for the sacrifice of liberty I have paid too high a price for my convenience, and I am not willing to pay it, and the working people of this country will not subscribe to compulsory servitude under the guise of compulsory arbitration. There is a better and more practical way.

Dr. Clark has told you of the number of strikes that have occurred under the Lemieux Act. He told you the limitations of the Lemieux Act, but perhaps was not familiar with the fact that it extends to almost everything now. It extends to shoe manufacturing, clothing manufacturing, harness manufacturing, saddlery, and all kinds of work of that kind and to all business which has anything to do with the army. It extends that way.

Now what has been our experience in the operation of the Lemieux Act in the shoe trade? Under the Lemieux Act there can be no stoppage of work pending this appointment of an investigation commission. The investigation commission is appointed. It continues and it is weeks and months before they reach a conclusion, and when they are ready to hand down their award the contract has been completed and the award is absolutely of no benefit to the workers at all. Is it any wonder that the Canadian workmen are dissatisfied with the Lemieux Act? That is the way it has worked.

Now as to my plan; the plan which we have worked out in the shoe trade. Do you know we have practically eliminated strikes in the shoe trades? You hear of strikes, but they are of the unorganized variety. We are a strike organization if necessary, and we have provision for it. We have strike benefits and have accumulated large funds

for defensive purposes, but we spend one hundred thousand dollars a year for sick and death benefits and less than a thousand dollars a year for strike benefits. We have factories that are operating under our contract, and have been for twenty years, without the slightest interruption throughout the entire United States and Canada since 1898. In the Dominion of Canada, where the Lemieux Act is in force we have not had a single strike. We have operated there continuously for the past fifteen years, in which both parties to a dispute select one to represent them, and the two select a third. They naturally select men who are familiar with the shoe trade. They select a third, who is considered a fair and impartial umpire. They gather up the facts and they render their decision. We are obliged to accept the decision. We have had very few cases of arbitration in Canada. We are able to settle our disputes by sitting down and discussing the evidence based upon the facts. Brown pays so much a pair for doing this operation and Jones so much, and we are willing to pay what anybody else is paying, giving due allowance for the amount of work and the system under which it is done, and we have been able to maintain comparative peace and at the same time, which is very valuable, comparative freedom of the workers in the factory. I do not mean by that freedom to abuse the employer, freedom to act in an arbitrary and unreasonable way. We have a rule that members are not permitted to assume the functions of the association as individuals. The employer's right is recognized to hire and fire, and is not violated except in cases where discrimination is shown union members.

When our members used to say to us, as they did in the earlier days, but very seldom mention it now, "Why do you yield to the employer the right to discharge employees?" we would reply that "we do it because we want to preserve your right to quit." "Do you think that is an equivalent right?" I say it is of more value to you to be able to quit when you want to than it is for the employer to be able to discharge you, because when you are earning

fifteen dollars and you are offered twenty you would think that you were badly treated because the union did not allow you to leave your fifteen-dollar job and accept the twenty. It was a difficult thing for our people to get to understand that at first, but now they never question it.

We also have a rule that no person or persons shall conspire with another to quit work for the purpose of enforcing any demand upon the employer, and he shall not then say that it is in the exercise of his right to quit as an individual. They sometimes have attempted to do that and have carried such a threat into effect, but we meet such a situation by saying that you are fined five dollars and discharged. In other words, we provide for the continuous operation of the factory without interference from the workmen, who believe that they can best adjudicate their wrongs through the union. We have some people of that kind and we deal with them in that way.

Some people say this is compulsory servitude. We say "No." They enter into this action voluntarily. It is a voluntary act. All persons are free to quit work any time they want to without a single moment's notice. They are protected individually, and why? Because in the long run that is the best protection for them and for the employer. I do not hesitate to say that in our union factories operating under our contracts the wages are the very highest in the shoe trade. I also make alongside of that statement this other statement that, while the wages are higher, the profits to the employer are also higher and more secure. The employer has the advantage of being able to produce continuously, to fill his orders on time when he has promised them, and there is no interruption from the beginning of the year to the end because of labor disputes. That furnishes a splendid avenue through which increased profits flow, and we say "give us our portion of this."

What is our portion? Our portion is what the competitive rate in the shoe trade warrants, plus the advantages which you have because you are free from labor disputes, and we get concessions from employers that unorganized

employers do not yield to the unorganized shoe workers.

Now, this leads us to the broader consideration of the railway problem. It leads also into other lines of industry. There is nothing in the world to hinder relations of that kind being established between all employers and their workmen—nothing in the world! It would mean to some employers an internal revolution of their preconceived notion of their mission in life—to be the custodians of the interests and welfare of their employees. There are many well-meaning employers that have that viewpoint. There are men who have an ulterior motive in setting up that position, and they will expatiate with great glee of the things that they have done for their workers and then advertise themselves in the public press because of what they are doing for their employees in the way of building swimming pools, tennis courts, libraries, gymnasiums and many other things. If employers generally could see inside of the mind of the average worker they would not feel so much pride in their welfare schemes, and I have only got to call their attention to this phase of the question: How many employers do you know of who practice welfare work who would permit their employees to impose welfare activities upon them? If a swimming pool and a library and a gymnasium and a lot of other things that certainly concerns them are good for the workers in the works, what is the objection against the same thing being provided for the employer? Perhaps the employer will say, "Oh, I have no need of them; I have them in my home." Well, if it is so that indicates the difference between his position and the employee. Is there any good reason why a bathroom should not be provided in any worker's house, from the standpoint of public health, cleanliness and right? If the employer has a library in his own house why don't you provide the necessary wages so that the workman can also have a modest library in his house? You charge him with ignorance and you contribute to his ignorance by withholding from him the necessary means to remedy that condition. I know of employers that would absolutely

resent and throw back in the face of their employees if the employees subscribed and furnished it to the employer; if they undertook to set up a swimming pool or a tennis court, so that they might conserve his health, so that he might be an employer for many years, he would resent that. (Laughter.) And if the employees should select a physician and say, "You ought to be carefully looked after, and we will provide for you a physician without expense," how many employers would stand for it? They would say, "That is different." A gentleman was telling me about the benefits of his welfare system and he said, "I have a physician who looks after the welfare of the employees all the time that my factory is running, and I am going to extend that work to care for the wives and families of my employees." "What is the name of your physician?" I asked. "Dr. So and So." "And what is the name of your employees' physician?" "Dr. So and So," mentioning a man of another name. It occurred to me that if his physician was good enough for him he ought to be good enough for his help.

Now I call your attention to these things for the purpose of trying to draw your minds into the right channel as employers of labor, speaking generally; not to you in particular, but to employers of labor. The first necessary thing for them is to get the viewpoint of the worker, and after you have gotten the viewpoint of the worker stop right there and attend to your own viewpoint, let the worker look after his viewpoint, and if you get him to depend upon himself he will look after his viewpoint without the necessity of your assistance. He will make mistakes, a lot of them, but the mistakes will lead him eventually and finally into the right channel. Do not waste your time in looking after the welfare of your employees. Convert all this welfare activity into a little advance in wages. Give them something every week, not once a year in the shape of a bonus, or a bathtub, or tennis court, or gymnasium, which many of them don't like and never use, because they don't like them. (Laughter.)

I know some people who curry favor with the employer

subscribe to those things, just as some people subscribe to the Lemieux Act in Canada. I have known employers to write resolutions of commendation of an employer's goodness to his workers and his generosity, hand to some particular employee and have it published as the spontaneous act and expression of gratitude to the employer. Do you suppose that those things are calculated to inspire a proper respect for the employer? Not at all. It makes such employees easy food for the demagogue who comes along and bellows upon the rights of labor. "Rise up, men, and rebel against your chains Throw them off and follow me!"

The legitimate organizations are on guard every minute, guarding you and the general public against that kind of thing. The labor man is not dangerous, is not in defiance of the courts, but he very frequently expresses himself very strongly on some of the decisions of the courts. To give you an example; just one, because I do not want to take much more time. A recent strike occurred on one of the railroads in our good old Commonwealth and, as you know, there is a law which provides that where a strike exists and an employer advertises for help he must state that there is a strike in progress. If he fails he is amenable to the law. This particular railroad was haled into court because they had violated the law in that way. They came before the judge and the defendant's lawyer pleaded that there was no strike within the meaning of the law. The judge decided that there was no strike within the meaning of the law because it was not accompanied by violence. Then you blame workingmen because they go on strike, and then in order to make it a strike they commit some breach of law in order to make that a legal strike within the meaning of the law.

I mention this as an instance as to how the law is administered on the bench. It is no wonder then that you find labor men who are not quite in accord and sympathy with court decisions—with a great many others that I might cite along the same lines.

Now you want to know what you are going to do. Many of the workers who are now unorganized are unorganized because the employers have made diligent effort to prevent their being organized. They spend thousands upon thousands of dollars every year in keeping a system of spies in their works to report and prevent organization. Wasted money! They get reports that do not contain a thread of truth in many cases, because those detective agencies are interested in continuing their employment and they must furnish information which convinces the employer that their services are valuable.

The best way to solve the labor problem from the employers' point of view is for them to come out flat-footed and recognize the human right of their workers to be represented by and through their organization. No matter how mismanaged at the beginning! Experience and direct dealing with them across the table over the problems that come up in your works, making them responsible to the general public for what they do, is the best preservation of the welfare and convenience of the public that I know of. Instead of compulsory arbitration I would say, compulsory organization. Compulsory organization will establish the machinery by which negotiations can be carried on.

We heard a great deal during this railroad squabble about the enormous wages the brotherhoods were receiving as compared with other branches of the railways interested. They got those wages because of this organization. Instead of that being an argument against the brotherhood it was an argument in their favor and a suggestion for them to organize. They only secured those wages because of organization.

Now let the other branches of the trades be organized. Let it be a compulsion to organize and to have representation to deal with such cases, and let them pay a reasonable wage, based upon the cost of living, cost of competing employment and every other element that may enter into the problem. Abandon entirely any suggestion of compulsory servitude, and I think you have made a long step

in putting us where we belong, in advance of all the nations on top of the earth. We have the driving power; we have the efficiency; and the duty we owe to ourselves and nation is not to drive beyond the speed of an ordinary man, the average man.

This talk of efficiency and of the arguments made in favor of efficiency means in its final analysis that one man will do all the work and everybody else will be idle. That is its logical conclusion, no matter how you reason it out. It means that five hundred men can do the work of a thousand by increasing the size of the shovel.

The arduous labors in many industries make it impossible for every man to be physically perfect. Many employees are physically weak, and we must provide for them through employment or through charity. They have got to live, and if we devote ourselves to finding more employment at higher wages for shorter hours to make everybody able to consume more products from more factories, that is what means progress.

There is nothing measures the prosperity of the country more than when everybody is employed. When everybody is out of employment or nearly everybody we have a condition of panic, and everybody is down in the mouth. Now let us build up a condition which makes not for greater production, for more wages for a few, but greater production for a larger number working more leisurely and shorter hours, so that everybody can enjoy and have an opportunity to enjoy the good things of life. I do not believe the Creator intended us on this earth to work at top speed through long hours that some might roll in luxury and idleness. It would make it unnecessary for me to have the job that I have had for twenty-one years.

Some of our members have said that I have never worked for twenty-one years. But I have worked, and I know what it is, and I became at one time one of the speed merchants, as they call them. I set myself out to get the reputation and I got it. I did turn out an enormous amount of work. It was followed very shortly by a suggestion that there should be a readjustment of

wages, which convinced the employer after I again speeded up that he was right, only with the exception that he did not take off enough at first. (Laughter.) All at once I woke up and said, "I am not going to do this any more." And I said a fair day's work is about twenty-one dollars a week, and you could not drive me beyond that possibly, and that stopped the reduction in wages.

We have in this country a very large element of farm workers that have been under the lash for so many years that they are the easy prey for designing employers who impose upon them and add to their burdens. Those fellows are not as ignorant as we believe they are. Those gentlemen are going to make in this country a serious situation unless we deal with the labor situation in an intelligent way and do something. Every time an attempt is made to destroy organized labor, organized labor grows. Organized labor does not fear it at all, because it emphasizes its need.

Now meet them on a common ground. That is the essence of the whole subject. I thank you for your attention.

Member in the Audience: Are any questions in order?

Chairman McCall: It is suggested by the President, Mr. Whitcher, that that should be postponed until afterwards. Mr. Fish desires to return to Boston on the 5.55 train, and he has barely time now to make his speech.

The next speaker will be, gentlemen, Mr. Frederick P. Fish, who is a distinguished lawyer, president of the Massachusetts Commission on Education, president of the National Industrial Conference Board, and he has had a wide experience in industry as well as in his profession. He will speak upon the value of our industries to the public.

Mr. Frederick P. Fish: Your Excellency and gentlemen: After the strong meat of the afternoon I am not sure but that what I shall say is very mild and uninteresting, but if

it in any degree serves to soothe the minds of the audience before the dinner begins I shall be satisfied.

We live from day to day and almost all the time in such a systematic and orderly fashion that we have to stop and think before we realize the tremendous complexities of the industrial agencies which are at work supplying to us the things that we need. Here we are, a hundred million people in this country, of all grades, classes and characteristics, and yet although we live, some in the cities, some in the country, some in the wilderness, under all possible conditions, we all of us have the opportunity to get substantially everything that we want, need or wish, if we can pay for it, of course. It is available for us, and it is available for us because the industries have been so developed that production and distribution bring to us everything for which there is a market.

And it is a really wonderful thought when you come to analyze it, when you think what that means, and if you will stop for a moment and think what has lead up to this result I think you will feel a pride in the achievements of the human race. It is not so many thousand years ago that we were savages, and each man for himself, and now see what is the situation!

There are three general departments of industry. The first is that which gets the raw material from the earth. The miners, the agriculturists, the lumber men and the fishermen are types of those who work to get the raw materials. Another class is those who take these raw materials and produce something from them that people need, and, as we know, there are many hundreds of thousands and millions of things produced. The third class is the transportation class, the distributing class, of workers which takes the raw material or the finished product, as it may be, and carries it to the point where it is to be used or consumed. In each and every one of those three classes we have, as I say, the results of those thousands of years of progress.

And in considering that progress there is one thought that it seems to me must come more strongly to the minds

than most of them together, and that is that while all this time labor has been at work in one way or another to deal with these raw materials, that during all this time there has been that saving from production that is useful for further production and which we call capital; that labor would have been fruitless, that capital would have been ineffective if it had not been for the brains, the intelligence, the imagination and the capacity of men who have directed the operations of labor and capital in production.

That to me is a very striking thought, and if you will stop for a moment you will see how important that element has been, and yet it is one that is largely overlooked. We hear of capital and of labor things that ought not to be regarded as in the slightest degree antagonistic, but we rarely hear of the third element in the trinity, which to my mind is the most important. That is, in the methods of getting from the earth those things that we want; of the brains, the imagination and the intelligence and the capacity of the men who have preceded us in this world and of the men who are working to-day.

In the first place, the scientific men who have studied pure science and have mastered its laws, found out how those laws operate and how they may be applied; the inventors and the discoverers who have taken the raw materials of the earth and subjected them to the laws of nature, who have invented the great contrivances by which distribution is effected about us; as compared with fifty years ago that difference is marvelous. As compared with one hundred years the difference is stupendous.

Then come a class between that have contributed as much, almost, as the discoverers, the inventors and the scientific men to the wealth and success of our country and the whole world. I refer now to the administrators, the business men and the teachers who have organized the methods; who have utilized in practical form the discoveries and the laws that the scientific men have worked out; that have educated the laboring man who, as a laboring man, has nothing except his muscle and his deftness

of hand; who have trained the community in such a way that everywhere there is that strong and definite co-operation leading to the great administrative efficiency of our system of production and of distribution.

Now, gentlemen, I have taken the liberty of reminding you of this situation of which you, of course, all know, because it seems to me that whenever we reflect upon it that we ought to feel that the public as a whole, every member of the public, should recognize the importance of this great productive efficiency to which we have attained and should respect the record of the past which has led up to the present condition of things, and should recognize the absolute necessity of dealing fairly and sympathetically with the men who are now in business in this country who have taken upon their shoulders not only the burden of carrying out the aspirations and the activities of our forefathers who were working in a relatively small way and under very simple conditions, and doing the work well enough for their time.

Not only have the men of to-day assumed that burden, but their situation has been enormously complicated by the tremendous changes that have come by the methods of distribution and in the methods of work. Factory systems, the development of machinery, electricity in its various applications is a great servant of man, and the ten thousand other things we have among us the last fifty years have made the work of the men of to-day infinitely more difficult than that of their predecessors in the olden times.

There is a feeling in the community of respect and gratitude toward them, but during the last few years, as President Wells has said, there has developed one other feeling, one of hostility, and the time has come when that feeling of hostility should be ended and that men—all of us, those who directly produce, those who get by through service like the lawyers, the doctors and the clergymen, they themselves not being producers, the laborers and the capitalists, and everybody else—should appreciate how important it is that our industries should be promoted and

that our industries cannot be promoted unless the men who are conducting those industries are recognized as sound and reputable public servants, as they are, taking them generally. And unless the entire community get behind them in their efforts to produce more efficiently in order that there may be a larger product in the form of wages to be hoarded, in order to be the basis for further production and generally increase the wealth of the world for the benefit of all the people in the world.

Now everybody is in the same boat in this matter. Everybody must recognize the desirability of making our business, our industries, as effective as possible, and in the industries everybody should recognize that they have the same common underlying interests—that is, that the industries, large and small, should be promoted and should be helped.

It is not so very long ago when it was very common to charge the smaller manufacturers and tradesmen with dishonest practices. The wooden nutmeg, putting sand in sugar, and things of that sort. That has altogether disappeared at the present time and trade to-day in the smaller departments is conducted upon a high ethical basis. It is not so very long ago, but later than the other time, when great industries were charged with evils of the most serious character, and they had evils which were exaggerated, as were the evils of the small firms at another period, and I am just as certain that there has been the needed reform in the big business as there has been in the methods of small business to which I have referred, and that the time has come when it is the duty of every man in the community to undertake to promote by giving to the industries and the men in the industries that fair, strong, sympathetic support to which they are entitled.

And as to you men who are in the industries, large and small, it is of the utmost importance that you should pull together to work for that result, for whatever there is in this day and generation that is hostile to large business is hostile to small business, and if the people are not directed in such a way as to lead to fairness in their rela-

tions with business, business will suffer and the people will suffer, too.

Now there are two or three things to which I would like to call specific attention. The anti-trust laws were aimed at what was an undoubted evil. I think they failed to meet the evil with which they were intended to deal and that they brought about reactions through the business systems which have been most unfortunate. It was another instance where the dirty army blankets were thrown into the geyser, and it is possible that they were cleaned, but there were reactions which were never suspected and which have done incalculable harm. And as to small business, there has been legislation in regard to small business; this legislation which enforces the fixing of our prices and the legislation which by means of the parcel post is to a very large extent financing certain types of mercantile establishments, such as the department store, at the expense of the government, and which is so hostile to the interest of the retail store throughout this country, is another instance of legislation which, well intended, has certainly resulted in harm. If the logic of development means that the country store is to be sacrificed to the mail-order house, well and good, but the government should not have unconsciously got into a system where they were practically financing the mail-order business by a system of rebates.

I would call your attention to this one fact, that we have many laws that are well intended, that are aimed at a certain specific evil in business—I am confining myself to business methods now—which when applied lead to reactions, lead to consequences in other parts of our complicated and difficult social system which were unexpected and likely to be most destructive.

It is the fundamental duty, first, of the business men acting suggestively; second, of the members of the community who wish well for the community, and thirdly, it is the duty of the public to study these great questions without prejudice; to see that your legislators are properly instructed; that they approach the subject in the

same spirit in which Mr. Wells approached it in his paper, of benefiting the whole community, because, gentlemen, unless business is prosperous there isn't the fund for the development of the higher things of life and there isn't the fund produced that will lead the gentlemen represented by the last speaker in getting what they want; that is, an increased amount out of production. They might theoretically get an increased share even if there was not good business, but an increased share of a smaller production is not nearly as good as an increased share of a larger production such as we ought to work for and for which we should all stand together to see that the law and the public sentiment supported business, because it is the industries in all forms which are the root of all things of value in life.

There is one other thing I want to say a word about; I want to urge that you gentlemen co-operate with yourselves and with the rest of the community as a recognition of the necessity of supporting the industries and at the same time of supporting the underlying fabric of our society. We are on the verge of a constitutional convention which is to be held next spring. In that convention there will be prepared and submitted to the people amendments to the Constitution which will be the organic law under which we will live and our children will live for many hundreds of years to come. Near as is the time when you have got to go through the spasm of an election and of a primary for the delegates to that convention, I have only heard of one organization which has taken up the matter of endeavoring to prepare the voters for the tremendous responsibilities that will devolve on them when they elect the three hundred and twenty members to represent them. Every thought and every shade of opinion of everybody in this Commonwealth ought to be represented, and I hope that they will be represented. But there is nobody thinking about this great subject, and I urge this association, and I urge the constituent associations and the individual men in those associations to support the industries and to support the social organization

under which we live. And the way to go into it is to have every man study the questions that are coming to the front in that convention; to, first of all, go into his community and organize and pick out delegates to the convention; men who are strong, who are honest, who are able, who are capable, who are broad-minded. They will have to have opinions and, as I have already said, practically all shades of opinion will be represented in that convention. But keep out of that convention the man who is so weak that he is willing to forfeit his convictions for a threat. Keep out of the convention that type whom you would not put in business. But pick out the good, strong Massachusetts man who will do his duty; and with the result as I hope that at the end of that convention we may have a Constitution that will protect and promote our business, so that every class in the community may be better off in the affairs of this life, and one which will be a safe and solid organization for our social fabric, under which we may all live and with better results.

President Whitcher: Gentlemen, I know that I am carrying out the wishes of this meeting when I extend to the Governor our most hearty thanks for the effort he has made in coming up here. Unfortunately, he was obliged to leave on a recent train. I also thank the others who have given us so much valuable information.

This meeting now stands adjourned until seven o'clock, and I hope that you will all be here as promptly as possible to go on with the work.

7.00 P. M. SESSION

Chairman Frank W. Whitcher: The Chair wishes to make two announcements before we go on with the work of the evening. One is that the special train will leave at eleven o'clock, and if there are any who have not secured accommodations they should see Mr. Lund, who is in the rear of the room. You may arrange for them now and the

Chair will wait for a moment or so. I am also pleased to announce that Dr. Victor S. Clark and Mr. John F. Tobin are prepared to answer questions after the program of the evening. We have been obliged to change the program simply for the convenience of our speakers, and yet I think we will have time to hear them all and to listen to them as we wish.

It happens that my name appears to answer for the Massachusetts State Board of Trade, but it is not my intention to inflict upon you any special talk, or to take any of your time, or much of any of your time, further than to say a few words in connection with the Board of Trade, and we will then go on with the speaking.

The Massachusetts State Board of Trade was organized to concentrate the power and usefulness of the various associations over the State in one corporate body, in order to secure prompt unity and harmony of action in the particular consideration of subjects pertaining to the financial, commercial and industrial and material interests of our State at large, as well as to assist the constituent bodies as far as possible, in order to create more of a public sentiment over the State, and it is just a few words, gentlemen, on the question of public sentiment and public opinion which I wish to speak to you before going on.

We have come to Springfield not only to consider the railroad problem from every angle, but to rub elbows with the gentlemen here, because of the splendid public spirit evinced in this section of the State, and because of the encouragement it is giving to both business and agriculture.

We have learned how business has been oppressed and penalized by unfair laws, and as an illustration of the attitude of Congress toward business interests, when I was in Washington two years ago to appear before the Judiciary Committee I was told that if I represented a manufacturer or any large interests I would receive scant attention, and when I went before that committee I was asked many questions pertaining to the association

which I represented and upon making a statement that "all the business men asked was to be let alone," Judge Carlin of Virginia replied, "that is all the highwayman asks—to be let alone," and this I understood was the treatment accorded many business men who took the time to go to Washington to represent associations, having representatives all over the country, and I assure you it was not pleasant to have the requests of our association compared with the requests of the highwayman.

The question of public opinion is one affecting votes. It deals with every employee in your business; employees in the grocery store, the hardware store and all lines of business. You must get votes to send men to Congress or your State Legislature who will see to it that business has fair play and that the industries and railroads of the State, with all of the handicaps which are put upon them, are favored just as far as possible.

We have heard of the handicap caused by the necessity of bringing seventy-five per cent. of our food supplies and raw materials from other sections of the country. We have learned of the higher freight rates which we are obliged to pay. We have also heard of higher prices of labor caused in part by nearly fifty per cent. higher cost of living over the State, because of the necessity of bringing food supplies from long distances, and it is time that we began to educate our employees by taking them into our confidence and showing them as far as we reasonably can how very detrimental to business interests many of the laws are which have been enacted.

This can be well illustrated by the statement made only a short time ago by Mr. Edward N. Hurley, chairman of the Federal Trade Commission, namely, that the investigation of that commission showed that, leaving out of consideration the banking, railroad and public utilities corporations and referring only to those that have to do with trade and industry, we find that there are about two hundred and fifty thousand business corporations in the country. The astonishing thing is that over one hundred thousand of these report no net income whatever. In

addition, ninety thousand make less than five thousand dollars a year, while only the sixty thousand remaining, the more successful ones, make five thousand dollars a year and over.

Is it not, therefore, time, and particularly so now, that our New England industries had the favor of the bright sunshine of an upbuilding, constructive policy of legislation and that they be assured of a continuity of such a policy for a long period of years, instead of the policy which has prevailed for the past ten years of oppression and penalizing, which tends to pull down and destroy the business fabric, which has done so much by invention and discovery of new improved methods to give to the masses of the people of the world the comforts and even luxuries which only royalty could afford one hundred years ago?

It is only through co-operation with your employees and the encouragement of business by people in every walk of life that the industries of our State can continue to prosper and expand, and it is time that we said to each other:

Up! Up! from your slumber, ye men of New England,
Out from Old Lethargy's fold.
Never wilt thou become a back number
If thou thy courage and energy hold.

Just as the forest warden in the forest is alert to prevent forest fires, so should our boards of trade and chambers of commerce constantly be on the watch to prevent incendiary laws being enacted to injure business. We should create such a public opinion favorable to business that the fame of New England will resound from the shores of the Atlantic to the confines of these States, echoing from hill to hill, from valley to valley, penetrating every nook and corner, until every fiber of our being vibrates with the cry:

Hurrah! for New England's industries!
Glorious wealth of brains and skill,
Through knowledge, power and activities,
Ever at the front their place shall fill.

Gentlemen, I charge you with the necessity of spreading the gospel of protection for our New England industries, in order that they may be able to compete with those of the great States of New York, Pennsylvania, Ohio, Indiana and Illinois, which are so much more favorably situated regarding both food supplies and raw material.

Spread the gospel that New England business needs favorable conditions and a continuity of a helpful upbuilding policy from the government, and if any man is sent to the Senate or Congress or our State Legislature who attempts to introduce and put through legislation antagonistic to business interests he should be indicted and convicted at the Bar of Public Opinion of a crime against business and relegated to the oblivion of his home, never to receive a position of public trust again.

Our Massachusetts State Board of Trade welcomes to its membership all trade and commercial organizations of the State, and we appeal to you for your assistance. (Applause.)

Gentlemen, our first speaker of the evening is one who has had a very wide experience all over the country; is thoroughly familiar with the railroad situation and every part of it. He is known in Massachusetts as one of the best, if not the best, informed men in the country upon railroad statistics and information, and everything pertaining to that subject, and I consider it a great privilege to introduce to you to-night the president of the New York, New Haven & Hartford Railroad, Mr. Howard Elliott. (Applause.)

Mr. Howard Elliott: Mr. President and gentlemen: I am afraid that Mr. Whitcher's introduction is too complimentary. I try to know something about the transportation question, but it is a very large one. I will try to tell you something of the work, some of the conditions, that we in the railway world have been trying to confront, and are still facing.

The last serious freight congestion or lack of transportation facilities in the country was in 1906 and 1907. I

do not think it was quite as severe as at the present time, although it was bad enough. I was at that time living in St. Paul. There were very serious conditions all over the country from Chicago to the Pacific Coast, and from Chicago to New York as well. Since then the railways have been through a period, as all industries have, of ups and downs. Suddenly we came, in 1916 and 1917, into a period when the transportation facilities of the United States were inadequate for the increased population and the larger business of the country.

The difficulty is not entirely local. The complaints are from all parts of the United States. This you doubtless know as your business ramifies in so many directions.

So serious did the problem become a month ago that the railways called a meeting at Louisville to discuss the general situation. The company that I represent sent three representatives to the meeting for the purpose of presenting to it the rights and needs of New England and the obligation of the entire country to realize that New England is a market for countless things brought in here, and for countless articles shipped out. I think we did a little good, but not as much as we hoped for. As a result of that meeting the subject was taken up by a committee of presidents of railways in New York, of which I happened to be one. They are known as the American Railway Association, which covers the whole United States. A special committee was then formed of five executives to sit in Washington with the Interstate Commerce Commission, or its representatives, to see what could be done to make the best use of all present railway facilities, and that committee sits daily from early in the morning until evening, and oftentimes late at night, making an earnest effort to better conditions. How long that committee will have to sit we do not know.

One outcome of the situation may be the passage of a bill through Congress to put the Interstate Commerce Commission in absolute control, as to rules and prices for cars, of the entire freight car equipment of the United States. This would give the Commission power to order

cars in different directions and to make charges for demurrage and per diem and other features of detail in railway operations. Whether that will go through or not no one knows.

But, as I say, it is a nation-wide problem. We know and you know it is bad here in Massachusetts. It is bad in Pennsylvania, in Ohio—in many other places. In fact, not long ago there was a convention of business men in Baltimore, and one very prominent business man wrote a letter on the subject in which he spoke of the breakdown of the transportation facilities of the United States. The writer gave as one reason for present conditions the present situation as to the regulation of these great instruments of commerce. The fact that wages and many elements of cost are beyond railway control through State and Federal laws, and the further fact that the prices for which they sell their transportation are also fixed and controlled by many laws, both State and Federal, had been, in the opinion of the writer, having an accumulative effect in preventing the development of the railway plant to the extent that it could not adequately serve the country.

Then there is another committee of railway executives, known as the Managers' Conference Committee, who are dealing with the problems arising from the so-called Adamson Bill. They are trying to elucidate the law and arrange a platform upon which we can live pending the decision of the Supreme Court of the United States.

I merely mention those things not as an excuse for the company that I happen to represent, but to show that railway difficulties are nation-wide and in order to emphasize the importance of looking at the problem in a broad and national way, and the further importance of having a great deal of patience and courage in handling it.

Now, what do the public really want from the transportation companies? What do you really want? Time was when the agitation between the patron of the transportation lines and the managers had most to do with rates. The transportation companies had, perhaps, a surplus of

product to sell. The discussion was, therefore, naturally about rates, and it was not unnatural for the buyer of transportation to work constantly for the lowest possible rates. That's human nature. There was plenty of transportation, and the question of adequate facilities was not so important. For many years rates was one of the chief topics. Then there was the question of discrimination—discrimination between localities, discrimination between markets—and that question still exists to a more or less extent.

Now both of these questions have been somewhat relegated to the rear; the rate question particularly. Discrimination between individuals is almost gone, although there is still some discrimination between commodities and localities.

What you really want—what the railway executives are struggling over—is service.

What New England wants is service, so that we may bring in raw materials and ship out our manufactured products.

I happen to have interests in the Far West, and I know the Western railways are having a great deal of trouble over inadequate service. The lumber business is almost crippled for lack of service. With 100,000,000 population, a population bound to grow, for it will not be many years, measured in the economic life of the nation, before we have 150,000,000, we ought to have fifty per cent. more transportation facilities in order to be prepared so that the railways will be able to carry the business of this growing population not only in a time of peace, but also in a time of war. We have got it to do, and why not now?

Just look at the situation for a moment! In 1915 there was less new mileage built in the United States than in any year since 1864—fifty years ago—and there have been only three years since 1848 when there was less railway construction than there was in 1915. The expansion of the railway plant stopped, although everybody knew that our country was growing. And in that same year, 1915, the number of freight cars built was the smallest

since 1904, except in 1911; the passenger cars, the smallest in number since 1902, except 1908; the locomotives, the smallest since 1908; and the construction was only 65 per cent. of the smallest since 1893. Yet in spite of these facts the railways have done a great deal.

I have here a circular. No doubt some of you have seen it. It is issued by the American Railway Association, which gives the statistics about car shortage. It shows that from July 1, 1907, to July 1, 1916, there were 570,298 cars built, which represented a capital of $527,000,000—an enormous sum of money on which to pay interest, and on which depreciation is pretty rapid. This same circular shows that for a period of eight years preceding the middle of August, 1916, there had been a continuous net surplusage of cars—cars not in use—except for about one month in 1909, three months in 1912, one month in 1913, and March, 1914; and then a shortage from September 1, 1914, on until this year. At one time there were 414,000 cars idle in the United States.

I am simply giving you these figures to show you that the railway owner and railway manager are confronted at times with the serious problem of a very large idle investment, and yet who are now confronted with insufficient facilities.

Now to make this great railway plant adequate—to furnish the service that you and the country must have, and which New England sadly needs—a great deal of money is necessary.

It is claimed that the general wealth of the country increases from 8 to 9 per cent. a year. We as good Americans hope that kind of progress is going on and that the country is to continue to grow, but it is obvious that transportation facilities must increase in the same relative proportion; otherwise all business is checked.

We have a very careful tabulation made recently in Washington by an expert who was formerly connected with a Western state railway commission. He figures that the country should spend annually in order to make our transportation facilities adequate for the people's

use $1,250,000,000 for the next ten years, and that approximately $250,000,000 is needed to pay off additional obligations, or a total of $1,500,000,000 a year that should go into this great instrument of commerce and equip it so that it can adequately serve you and the whole country —a very large sum of money.

I don't believe this expert has overestimated the case. The same matter was taken up in 1907 after the serious congestion at that time by a committee of business men of the Chamber of Commerce of the State of New York. They made a very careful study of the situation and made a report in 1912. This committee then thought it would take $8,500,000,000, or $1,700,000,000 a year, to make the railway plant adequate. They were not very far wrong, but the railways could not or did not spend that much money. They did, however, spend $650,000,000 a year for the seven-year period ending June, 1914, and I estimate, counting 1915, there has been $5,000,000,000 of new capital put into the railway plant of the country in the last eight years. But you and I know from our daily experience that that is not enough.

I feel that what has discouraged the railways and the man with money is that after putting the $4,500,000,000 of new capital into the plant in that seven-year period the increased return on the property was only $8,550,000, or less than two-tenths of one per cent.—a return, of course, that frightens the man with money.

I think all must admit that the present problem of the railways is a most serious one. I know those of us who are trying to deal with it, under very difficult circumstances, feel so. It is a subject similar to many others, much easier to criticize and suggest than to construct and to perform. That is true about any business. I think it is very necessary for public opinion, of which your Chairman spoke so well, to crystallize, if possble, along broad and constructive national lines, and to avoid forming judgments based on half truths or some misconceptions of the real facts of the situation.

There certainly are, I think, misconceptions in the pub-

lic mind, although I believe the feeling is clarifying somewhat. There have been a few great fortunes made in the railway business. You can count the names of the gentlemen who have made these fortunes on your two hands practically. There have not been as many great fortunes made in the railway business as in lumber or steel or banking, or as in many other lines of business. Then, too, there has been a feeling in the public mind that these great instruments of commerce are owned by a few individuals—controlled by a few individuals—and that the profits finally all go to a few individuals. I think that misconception has had a most serious effect in delaying the time when we will be able to solve the broad general question of how to treat the American railways.

Very likely you have heard the figures, but I want to emphasize to you that the railways of to-day are not owned or controlled by a handful of our citizens. There are at least 600,000 individual railway stockholders. There are probably an additional 600,000 holders of bonds and notes and evidences of debt; there are 30,000,000 holders of insurance policies, and part of the security back of those policies is $1,500,000,000 of railway securities; there are 11,000,000 depositors in savings banks, and part of the securities back of their deposits are American railway securities. Thus all these people are naturally interested either as indirect or direct owners of railway securities. And there is no small clique which controls the railways. The interest in their ownership, as I have pointed out, is widely distributed. In addition to the owners, there are about 1,800,000 employees, and another 1,000,000 who depend upon the purchasing power of the railways.

It is therefore apparent that when the railways do not succeed just a few rich people are not hurt, but a lot of people of very modest means are hurt, and you, and people like you, who must have adequate service for your welfare are hurt.

As I say, I have sometimes thought that the misconception in regard to railway ownership has been one of the

things that has delayed a final heart-to-heart discussion of this great subject on a true basis. There is another thing that has delayed it. There has been, and I think there may be some to-day, a distrust of railways and of railway management and of railway managers and directors. That grew up in part because some railway managements, some directors, did things in the past that were not right; but it is a mistake to-day to condemn the railways and managers because in the past some have been bad, just as it is a mistake to condemn all physicians because some doctors have been bad; or clergymen, or editors, or lawyers or business men. Whatever may have been the conduct of railway directors in the past, I believe to-day that railway executives and managers and railway directors have as high a sense of public duty, as great a desire to do their duty as citizens, as great a desire to be faithful to the trust imposed upon them as any class of business men in the United States. They are keenly alive to their responsibilities, to the difficulties that confront them, and I think they are greatly disturbed because of their inability to produce those things that are necessary for the country's welfare and what the country wants them to produce, and I believe a body like this can do much to help straighten out the feeling over these matters. If you really believe what I say is true—that the railway men as a rule are as good as any other class of men—it is your duty to lend a helping hand in this direction.

Five or six years ago there was formed the Railway Executives' Advisory Committee, a body of railway men who have been devoting the best brain talent to the railway problem. We have been studying it in the hope that we could suggest to the public and Congress and the President some idea that would help to put and keep this great transportation machine in a better condition. That committee is national in character. You may be interested in its personnel. Mr. Frank Trumbull, who is chairman of the board of the Chesapeake & Ohio, is chairman of the committee; Mr. B. F. Bush of the Missouri Pacific is on

the committee representing the Southwest; myself, now representing part of the East; Mr. W. J. Harahan of the Seaboard Air Line, who represents south of the Ohio River; Mr. Robert S. Lovett of the Union Pacific represents all of the country from Omaha to Portland and Seattle; Mr. C. H. Markham of the Illinois Central down to New Orleans; Mr. A. H. Smith of the New York Central system, Mr. F. D. Underwood of the Erie, Mr. H. Walters of the Atlantic Coast Line, Mr. Daniel Willard of the Baltimore & Ohio, Mr. Walker D. Hines of the Atchison, Topeka & Santa Fe; Mr. Samuel Rea of the Pennsylvania, Mr. L. F. Loree of the Delaware & Hudson, Mr. Hale Holden of the Chicago, Burlington & Quincy, and Mr. A. J. Earling of the Chicago, Milwaukee & St. Paul.

That committee has done a great deal of work in the last three or four years in an effort to find some solution, if possible, of the general situation, or to make suggestions that would lead to a solution. Nearly all realize the situation is serious. President Roosevelt spoke about it in one or two of his messages, President Taft did in one or two of his and President Wilson did in his message of December 7, 1915. As President Wilson's is the latest utterance, I will take the liberty of reading it to you:

"In the meantime may I make this suggestion? The transportation problem is an exceedingly serious and pressing one in this country. There has from time to time of late been reason to fear that our railways would not much longer be able to cope with it successfully, as at present equipped and co-ordinated. I suggest that it would be wise to provide for a commission of inquiry to ascertain by a thorough canvass of the whole question whether our laws as at present framed and administered are as serviceable as they might be in the solution of the problem. It is obviously a problem that lies at the very foundation of our efficiency as a people. Such an inquiry ought to draw out every circumstance and opinion worth considering, and we need to know all sides of the matter if we mean to do anything in the field of Federal legislation. No one, I am sure, would wish to take any backward step. The regulation of the railways of the country by Federal commission has had admirable results and has fully justified the hopes and expectations of those by whom the policy of regulation was originally proposed. The question is not what should we undo. It is whether there is anything else we can do that would supply us with effective means, in the very process of regulation, for bettering the conditions under which the railways are operated and for making them more useful servants of the country as a whole. It seems to me that it might be the part of wisdom, therefore, before further legislation in this field is attempted, to look at the whole problem of co-ordination and efficiency in the full light of a fresh assessment of circumstances and opinion as a guide to dealing with the several parts of it."

Now whatever our political faith may be, it seems to me that business men and all should get behind the President of the United States and help him in any constructive work, or constructive plan, that he may have that will help to put this great transportation business on a better basis. In the same spirit we ought to get behind him for any reasonable plan for the reasonable regulation of the men who work on the great transportation systems.

Now this committee of ours has done, as I say, a great deal of work. It has presented some results of that work to Congress, and Congress has appointed a special committee, headed by Senator Newlands to take up the whole subject. The Newlands Committee asked us to present our views, and we have done so, and if the Newlands Committee is to continue its work we hope to present them in greater detail.

In giving our views we did not present them at all with the idea that we are trying to avoid regulation. The modern railway officials feel that regulation is necessary

and desirable, and we are not trying to find any twilight zone where we can "duck," as between state and interstate. We believe it to be for the interest of the country that some system of regulation should be developed that will be national in its scope, to be sufficiently flexible to meet the changing conditions of business, and meet them promptly, and a regulation that shall be free from partisan and political bias, and furthermore, a regulation that will attract the investors to put in the necessary investment of $1,000,000,000 and more a year. The regulation of railways can no longer be local, because the interests affected are nation-wide. We have therefore felt after two or three years' work that it would be better for the development of these instruments of commerce to have national regulation and thus avoid conflict between state and nation.

National regulation in the interest of all the people would avoid friction and conflict between the several states themselves and between the states and the United States, because we know in our experience there have been conflicts as to rates; there have been conflicts as to the use of cars; conflicts about securing them; conflicts about hours of service, and a great many differences. There have arisen cases where one state has taken action that was in direct discrimination against the interest of the people of another state. The American system of transportation is so intricate that sooner or later there must be national standards set up for the conduct of the business.

We also believe it would be well to have national supervision as to the issuance of securities and thus avoid the possibility of improper or conflicting issues.

The Department of Agriculture is spending millions of dollars. Why? To encourage the farmer to produce more food so that you and I and all may be sure of adequate food supplies. Now a little encouragement of similar character is very essential to the good of the general life of the railways and the plan for national regulation. I think the Interstate Commerce Commissioners are real-

izing the situation, but it will be helped along if such organizations as you represent would say:

> We want a broad, constructive, upbuilding policy for the great transportation interests of the United States, just as much as we want a broad, constructive policy for the manufacturing or agricultural interests.

In suggesting national regulation the railways have not done so for the purpose of eliminating state commissions —there is lots of work for them to do. We all try to meet their views just as far as we can, but this divided authority is one of the very serious things that embarrasses the railways in their forward progress.

We have suggested that the Interstate Commerce Commission be relieved and helped. We believe that the Commission should go on and take care of the very large and broad questions of judicial and constructive character and that a second commission should be created which should have the business of the supervision of details and the prosecution for the failure of carriers to do what they should, and so on—a lot of work that does not really belong to a body that is acting as judge and, to a certain extent, a law maker, too; and by such a subdivision much prompter results would be obtained for you and everyone.

Then we also suggest that in order to get prompt action all over the country that there be regional commissions. By this plan regional commissions could take up certain local difficulties and shippers would not have to go to Washington for every single thing. In that way a shipper out in St. Paul or Houston, Texas, or up in New England would have a body that he could go to without going to Washington. If that change should be made we feel that these six New England States should by all means have one of those regional commissions. In making these suggestions the railways are not trying to escape supervision, but are only asking for a plan that will tend to a uniform practice and a prompt disposition of all questions of interest.

Then we have also suggested that the commissions have the power to make minimum rates, because it is absolutely essential to conserve the revenues of these carriers if they are to give you the service that you want and need.

The reasonable rate is a very difficult thing to define. The old-fashioned dealing of the railway with the patron was to get as much out of the patron as possible. In arriving at the reasonable rate the commissions ought to consider not only the cost of the service, but the value of the service; ought to consider all the constantly increasing expenses of maintenance and operation of the property and of keeping the property adequate at all times to carry the big load. The public should be vitally interested in having the principles of a reasonable rate embody those conditions, because it is to your interest that the railways be sustained, so that they will have sufficient earning and borrowing power to add to their facilities, and this has not been the case, take it year in and year out.

What can you do to help? You have very wide powers. You represent very large interests. You are having many of the same troubles that the railways are having. Of course, there is this difference: you are not limited by law as to your selling price and profits, while the railways are. You can do various things to help. While the railways have been more prosperous in the last year, we are already coming to a period of very greatly increased expenses, and these expenses have already begun to show. You can use your influence to help get a better regulatory system in the United States. You can use your influence to help settle the great labor problem. We are asking for some broad, comprehensive, national, sane platform upon which to build the general structure of the organization of these great carriers, supervised in the broadest way; a great piece of machinery that will reflect the will of the people as to putting rates up or down, or making rules for service, and of making that regulation such that the credit of these carriers will be sustained at all times, so that you will get the service that you want.

You can help in those ways, not because you love the

railways or the railway securities owners, but simply because it is to your own interest to do so as business men. And it is very much to your interest here in New England to try to get the transportation problem worked out because for one reason and another New England railways are in a serious condition. You can help and you have a large influence through your members of Congress and others, as your Secretary has said.

One encouraging thought is that the public interest in this railway subject is growing. People have come to the conclusion that whether they like the railways or not, the railways must be helped, if they are to avoid government ownership. I do not believe to-day people want the railways to go to governmental ownership. Give them enough earnings so they can spend the $1,000,000,000 and more a year in giving you what you want.

I am glad to have a chance to come here and talk to you. Perhaps I have given you some information that may be of value in trying to make up your minds regarding the problem that I think is now before us; how to regulate these great carriers and how to keep them at all times adequate to do the work of the United States. (Applause.)

Chairman Whitcher: President Elliott says that if there is anyone who would like to ask any questions he would be pleased to answer them.

President Elliott: If I can.

Chairman Whitcher: Are there any questions? I don't think we shall accept that amendment, because I believe he can answer all questions that might be put to him.

Mr. Guyer of Hyannis: I would like to ask President Elliott whether or not he thinks that government ownership would have a tendency to equalize salaries of the various employees and managers, and also tend to prevent managers or manipulators getting more than their share of the profits.

President Elliott: I don't know whether I can answer that, gentlemen, because that is in the realms of conjecture. I think there is no doubt if the railroads were owned by the government they would make very rigid rules as to the distribution of any earnings. But my own feeling is that this country has not yet come to a point where it could take over 2,000,000 employees with safety to the Republic. I think there are other dangers which would flow from it that would be very serious.

Chairman Whitcher: Are there any other questions which the gentlemen wish to ask?

Mr. George C. Morton: I would like to ask President Elliott, if it is not asking too much, whether orders have been placed for new motive power equipment, cars, and so forth, that he thinks will be adequate to meet the increased business, or if such equipment have been delivered.

President Elliott: Some have been placed, but not as many as we hope to place. We have bids in now for a large amount of equipment, but the prices are very, very serious—more than double what they were two years ago —and they have got to be looked up very carefully. The plans and specifications have been out for some time on a number of things.

Mr. P. C. Headley, Jr.: I would like to know if President Elliott would give us some suggestion as to what is in sight in the release of the embargo on eastbound freight, for instance, in the cotton belt and the West.

President Elliott: It is all in the hands of the Interstate Commerce Commission, and we hope very much it is going to be eased up. We had dispatches to-day that looked very hopeful. It is all a part and parcel of this national car question that I tried to explain to you. It looked a little better to-day. The requests that the company had for relief on the so-called embargo have dropped down to a very small volume—very few a day—indicating that cars are coming through much more freely. We are trying to relieve every individual case that we can, but that general subject is one that is largely now in the hands of this committee in Washington working with the Interstate Commerce Commission. We hope the embargo is going to be taken off.

Mr. P. C. Headley, Jr.: Do I understand that preference is given to munition plants?

President Elliott: Nothing of that kind. It all comes through in its proper order.

Chairman Whitcher: Are there any other questions?

Gentlemen, knowing as I do that President Elliott has been suffering from the effects of a cold and is not feeling up to his usual condition, and that he left his duties to come here, it is a pleasure to assure President Elliott that we appreciate highly the sacrifice he has made in coming here and giving us such an exhaustive statement as he has made, and to thank him for the courtesy he has extended to us in answering these questions which we have put to him.

Member in the Audience: Is it competent for this gathering to pass a constructive motion? I was thinking whether it was best to have some action in regard to the suggestions made by President Elliott, so that from constituent bodies represented here there might be some special pressure brought to bear, through publicity and otherwise, upon Washington. And if it is competent I should move that a committee of nine be appointed by the Chair to see that these suggestions be very carefully considered and that their purport be put into action.

Chairman Whitcher: The Chair would be glad to state that these matters were referred to the Committee on

Resolutions, which will be heard from after the next speaker, and if those resolutions are not complete in that resolution the matter should be referred to the committee for their attention.

The next speaker is to tell us of the application of the Panama Canal Act relating to the lake lines, as affecting the industries of Massachusetts and New England, and we are favored in having the traffic manager of the National Association of Wool Manufacturers of Boston with us. I will introduce to you Mr. George L. Graham.

Mr. George L. Graham: Mr. President and gentlemen: You have heard about the railroads. I want to give you a little suggestion of a period. I want to tell you of some of the conditions of New England; some of our advantages; some reasons why we should hang onto those advantages. I want to make it clear that I do not disagree with President Elliott in what he has said regarding the rates, helping to some extent the textile manufacturers of New England, the backbone of the industry of New England. They cannot disagree with the railroads. We have, however, certain advantages that have been ours for a great many years in rail and water transportation—advantages in service; advantages in rates. The New England manufacturers are too far from their source of supply to have those advantages materially interfered with.

This question of rail and water transportation has been under consideration by the Industrial Conference of New England, and the following committee, of which I am a member, appointed by that organization. I am giving you the names of this committee so that you may recognize the interests, the localities, the commodities:

Mr. E. K. Porter of the Carter Ink Co. of Cambridge.

Mr. R. L. Van Dyke of the American Thread Co., with interests in Fall River, New Bedford, Holyoke and other points in New England.

Mr. A. L. Rice, representing Lawrence & Co., a large textile concern.

Mr. W. P. Libby, representing the Plymouth Cordage Company of Plymouth, Mass., and formerly president of the Traffic Club of New England.

That is the type of committee which has undertaken to present some of their views to you on the question of rail and water transportation. These men represent various commodities, sections and interests in Massachusetts and New England, and these men agree that there is no more important transportation affecting New England and Massachusetts than the solution of the problems presented by the necessity for rail and water transportation and the application of the Panama Canal Act to establish rail and water lines.

You, gentlemen, may not be clear as to what we consider rail and water transportation. From a traffic standpoint it is through rates, through routes, through control of operating conditions. The combination of rail carriers into large companies was accomplished under the law, and these combinations generally included some control of water lines where individual rail lines had found beneficial water routes and had thereby extended their rail lines, increasing their tonnage.

Now I hope you see the application of that, both to the lake lines and to our New England lake and water lines. Industries which we represent ship to Boston by rail and thence by boat; to New Bedford by rail and thence by boat; to Fall River and thence by boat.

And, gentlemen, the members of this committee believe that there is no other way to get our New England products to New York except by rail and boat. The history of the various lake lines carrying package freight particularly, and controlled or operated by rail carriers is clearly set forth in the evidence submitted to the Interstate Commerce Commission by the principal lake and rail carriers in their application under the Panama Canal Act for extension of time during which their interest in and opera-

tion of certain boats plying on the Great Lakes might be completed. This case was submitted to the Commission on December 17, 1914, decided May 17, 1915, and the application of certain commercial interests for a rehearing of the case denied by the Commission December, 1915. These petitions were filed in accordance with the provision of Section 5 of the Acts to Regulate Commerce, August 24, 1912.

I am just going to sketch briefly the history of one of those lake lines, and I might say that our New England rail and water lines have approximately the same history. This is an abstract of evidence presented by the Pennsylvania Railroad in their brief, Docket No. 6381, I. C. C., organization of the Anchor Line in 1865, up to the year 1900, when, after operating on the Great Lakes, its capital stock was acquired by lines leased by the Pennsylvania Railroad.

The Anchor Line commenced operations in 1868 by chartering a few boats and operating them between Erie and Lake Michigan ports. In 1870 it purchased additional boats and commenced the construction of other boats for use in both freight and passenger service, and gradually developed this fleet so that in 1900 it possessed a fleet of sixteen vessels, three of which were engaged in the passenger business and the total tonnage of which aggregated 33,800 tons.

The line of railroad of the Philadelphia and Erie Railroad Company, which is now leased to the Pennsylvania Railroad Company, was constructed for the latter company in 1864, and in conjunction with various other railroads and the Anchor Line, established a through service between New York, Philadelphia and Baltimore on the one hand and various points on the Great Lakes and west thereof.

In 1881 the Pennsylvania lines east of Pittsburgh entered into an agreement with the Anchor Line for the establishment of a through route via Erie, Pa., for the movement of rail and lake traffic east and westbound, the railroad company agreeing to furnish a certain number of package freight and grain eastbound from Erie.

The Pennsylvania Railroad purchased in 1900 the capital stock of the Western New York and Pennsylvania Railroad Company and the Northern Central Railway Company purchased the capital stock of the Erie and Western Transportation Company. At that time the fleet of the Anchor Line consisted of sixteen vessels with a tonnage of 33,800 tons.

During the thirteen years of railroad ownership of the Anchor Line twelve old and antiquated boats with a tonnage of 21,800 tons were replaced with modern steel vessels, so that on December 31, 1913, the Anchor Line fleet consisted of twelve vessels with a total tonnage of 47,700 tons and operating under a schedule two days faster than that formerly existing.

Prior to the decision of the Interstate Commerce Commission under the Panama Canal Act of May 17, 1915, there were a great many vessels in operation on the Great Lakes.

These lines were controlled or managed by railroads, and they were acquired by railroads, so far as we can learn, legally. The Interstate Commerce Commission's interpretation of that act has destroyed a great deal of that beneficial service, which interpretation the Commission felt it was warranted in giving, and I want to call your attention a little later to the fact that the Commission has now thrown a ray of light on the situation, and that is one reason why we are here to-night to ask you gentlemen to look for that ray of light; to open the door for the textile interests of New England.

I will not read this list of names of lines which is available to your committees, if they would like to look at it, but they gave us over the Great Lakes a wonderful transportation instrumentality, which we do not have at the present time. These lines were very generally open to New England manufacturers, and the service referred to above was maintained and constantly augmented.

That is the same condition with the Sound lines. The

service each year has been maintained. We testified before the Interstate Commerce Commission in Boston that we were satisfied with the operation of that line because it had better control over its own operating conditions. The railroad train runs down to New Bedford or Fall River or Providence and runs onto the wharf, where you can throw the cargo from the boat onto the wharf, and the railroad has made a schedule so as to have the boat in New York and unloaded by seven o'clock the next morning.

Another question is the question of differential rates. The all-rail rate from Boston rate points to New England generally and Chicago and Duluth, first-class basis, is 78.8 cents per hundred pounds. The standard rail-and-lake rate, first-class basis, is 62 cents per hundred pounds, a saving in lake rail transportation on first-class goods of 16.8 cents per hundred pounds, or approximately 23 per cent. This saving runs through all class and commodity rates. The sixth-class rate on all rail being 26.3 cents is standard line and 21 cents for the standard rail and lake lines, a saving of 5.3 cents per hundred pounds on the Boston-Chicago rate basis. The first-class rate, for example, from Boston to Duluth, Minn., via the all-rail routes is 118.8 cents per hundred pounds. The standard lake-and-rail rate, first-class basis, Boston to Duluth, Minn., is 62 cents per hundred pounds, or an advantage of 56.8 cents per hundred pounds, which the New England manufacturer has enjoyed for a great many years. That 56.8 cents is more than the rate from Boston to Buffalo, and we enjoyed that advantage because of this natural waterway. On our business going West we have the same advantage in rates and service; of the New York service via our rail and water connections out of New England through the Sound lines.

The sixth-class all-rail rate from Boston to Duluth, Minn., is 39.3 cents per hundred pounds. The sixth-class standard lake-and-rail rate for the same transportation is 21 cents, an advantage of 18.3 cents per hundred pounds. On the first-class rate from Boston to Duluth,

Minn., the all-rail route is 118.8 cents per hundred pounds, the standard lake-and-rail rate, Boston to St. Paul, Minn., 83 cents per hundred pounds first-class, or an advantage of 35.8 cents per hundred pounds.

These rates quoted have an advantage also, because they apply to shipments destined to points beyond Duluth and Superior, in Minnesota, North Dakota, Montana and beyond, where the rates are based on Duluth.

With regard to the eastbound rate situation, most of the traffic moving eastbound is moved under commodity rates, and while the difference in some cases would not be as great in the aggregate, the advantage of shipments moving via the lakes eastbound as well as westbound is decidedly in favor of the lake routes.

In dealing with the question of the effect of the lake routes on New England industries, the first and most important thing to be taken into consideration is the fact that the success of any manufacturing district is largely dependent upon the cheapness of the cost of transportation of raw materials used in such manufacture.

To enable the manufacturer to take advantage of cheap transportation, such transportation must of necessity be of such a nature that he can afford to take advantage of it; that is, it must be adequate in all respects to meet the demands of the volume of traffic involved; it must be perfected to such an extent as will provide for good and regular service. Without these essentials it would not matter much as to how cheap the transportation was, as the manufacturer could not afford to use it.

The Lake lines in the past have provided the manufacturers of New England this character of cheap transportation. They having provided ample capacity to care for the entire volume of traffic moving at all times during the season of lake navigation. The equipment used by them in this service has been modern up to the fullest extent of the word. Their officials and employees operating and handling the lines have been especially trained as regards this particular feature of transportation, with the consequent result of giving to the New England manufacturers

the benefit of a most highly perfected character of transportation at the very lowest possible maximum cost. This feature alone demonstrates the great value of the Lake transportation afforded the New England industries in the past.

In 1902 there were seventy-five package freight vessels operating between the lower lake ports and Lake Michigan and Lake Superior ports, not including Canadian lake lines, with a total carrying capacity for package freight for those seventy-five vessels of 197,000 tons per trip, and in 1912 the number of vessels employed in this same trade was sixty-five, with a carrying capacity of 236,000 tons of package freight per trip, or an increase per trip of 39,000 tons capacity.

In New England we make the package freight on Lake lines carry a lot of ore bulk, and their facilities in that respect may not have been impaired, but our package freight business from New England is what I am speaking of in these boats having a capacity of 236,000 tons of package freight.

We are creditably informed that during the season of Lake navigation for the year 1917 there will be no regular dependable package freight carriers in the lake transportation from Eastern lake ports to Lake Michigan ports like Chicago and Milwaukee, with the possible exception of one Canadian line and possibly one American line.

I have explained to you that these lake and rail lines carry differential rates. There are three sorts of rates known to a traffic man: all-rail transportation, which is the most expensive; rail-and-water transportation, which is a combination of rail transportation and of water transportation; and all-water transportation, which is, of course, the cheapest. The rail and lake and Sound lines have given that intermediate rate, and with a one hundred per cent. efficiency service. We wonder that they were able to do business as long as they did as cheaply as they did. We do not know how they can carry goods from Boston to Duluth for sixty-two cents. New England doesn't want to lose the advantage of that spread of rates.

It may be necessary to raise that sixty-two cent rate, but there is a decided advantage to the New England manufacturer in the cheapness that comes with rail-and-water transportation. We fear that that service in 1917 will be taken away from us.

Now we have that same differential rate basis from New England through another channel. The fact that the rate is established on the Great Lakes gives the Baltimore and Ohio Railroad opportunity to establish a differential rate basis from the city of Baltimore and Norfolk, Va. We get via that route through the ports of Boston and Providence the same differential rate basis that we get over the Great Lakes. The Baltimore and Ohio Railroad had to have our New England tonnage when they started railroading in 1831. There was not tonnage enough originating in Baltimore to operate the seventy-two miles of road they were operating at that time and they had to reach out in order to get more business. They came to New England and said, "We will equalize the rates." In fact, the Baltimore and Ohio Railroad has always been the great rate equalizer because of their natural disadvantages. It is not until recent years that the city of Baltimore has been able to get a sufficient amount of tonnage. When the lakes close up in winter the Baltimore rates go up.

The trade boards of Milwaukee, Kansas City, Mo.; St. Louis, Mo., and other cities have recently passed resolutions expressing the necessity to those communities of the continuation of this rail-and-lake service and this differential lake basis. The Interstate Commerce Commission in its last annual report issued December 1, 1916, had indicated on pages 63, 64 and 65 the possible benefit which may come from these combinations, and suggested that certain facts quoted should be brought to the attention of Congress.

I want to quote only one paragraph from that report, because that paragraph contains the essence of what you gentlemen may be able to do for the New England manu-

facturers, and I think as well for the New England railroads. This is the quotation:

> "We think that these facts should be brought to the attention of the Congress, so that in the light of those facts it may determine whether or not authority shall be conferred upon the Commission to permit, in such cases and under such circumstances, a continuance of the railroad ownership, control or operation of the water lines, subject to such further and different orders as the Commission may subsequently enter upon a further hearing and a showing of substantially changed circumstances and conditions."

I am very pleased to offer these few remarks to you, and I trust that I may leave with you the thought that we need in New England more transportation, as President Elliott has said. We must not lose what we have.

Chairman Whitcher: Mr. Graham says that he will be glad to answer any questions.

Captain White: I would like to ask the speaker if there have been other advantages in the rail-and-water route in regard to the expeditious handling of freight. That is of even more value than the difference of route.

Mr. Graham: I would like to answer that question. As I said, the Sound lines—I testified under oath that the Sound lines gave us one hundred per cent. service. They gave us good service until last year, when they were changed by order of the Commission acting under the authority of the Panama Canal Act. Prior to the season of lake navigation they gave very excellent service. Our Sound lines have always given the New England manufacturers excellent service.

Mr. Wing of Boston: I think I can state that so far as wool is concerned that business from Duluth to Buffalo

has proved more expeditious than the all-rail route, and that the best time on wool shipments has either been by the Merchants & Miners or by the Lake lines. That is to say, up to the time the Commission divorced the Merchants & Miners from the New Haven control. In fact, so far as the wool trade is concerned, it has been under embargo all the last season, and so far as eastbound wool is concerned, we had no rate eastbound via Chicago. In other words, we lost that differential over all that middle territory from Montana as far as St. Louis.

Chairman Whitcher: Mr. Graham occupies the position of traffic manager of the American Woolen Company, so I think we may easily see that he speaks from experience.

The chairman of the Committee on Credentials, Mr. Frank D. Howard of Chicopee, gentlemen.

Mr. Howard: It hardly seems necessary at a gathering of this kind for a committee on credentials, except that it is of interest to the body to know that in one hundred and fifty cards that were signed, people representing forty-six cities and towns are here representing business men's organizations, boards of trade and chambers of commerce, and the territory represented is all the way from Cape Cod on the east to the Berkshires on the west.

Chairman Whitcher: I think we may congratulate ourselves that so many gentlemen from all over the State give of their time to come here to discuss this very vital subject, and I know that the members of our board of trade appreciate very much their doing so.

I would ask the chairman on the Committee of Resolutions if it is ready to report.

Mr. Corcoran: If I may suggest, I think it must be pleasing to the members of the various boards of trade, and likewise I would congratulate the State Board of Trade upon the fact that we have read in the morning's paper that the War Department has referred to Congress the

widening and deepening of the Merrimac River as far as Lowell, at a cost of $7,000,000, and recommended that the work be finished within four years. As you know, the State Board of Trade sent a committee to help forward that project, and we hope that it will be but a short time when we can congratulate Springfield in opening up the Connecticut River.

Preamble and resolutions favor Federal regulation of railway rates, interstate and intrastate Federal control of railway securities issues. Proposed railway strikes or lockouts should be subject to investigation by the Interstate Commerce Commission.

The New Haven should retain control of its boat lines.

Favor increase of Interstate Commerce Commission membership to nine.

The Massachusetts State Board of Trade, comprising fifty-three commercial bodies representing a membership of 15,000 substantial business men, in convention assembled at Springfield, December 28, 1916, preamble the Congress and the President of the United States as follows:

Within the past few years the banking laws of the country have been thoroughly remodeled and a central agency established whereby the merchandizing of credit has been put upon a sound economic basis and the incongruities of the past done away with.

Not so with the railways. They are subject to forty-nine masters—the Federal government and forty-eight individual State governments.

Despite the fact that the railway business has grown essentially national in scope, railway regulation has remained local in character. It is true that the government, through the Interstate Commerce Commission, controls the railways insofar as interstate traffic is concerned, and that State regulative commissions assume control merely of intrastate business. But the distinction between the two—interstate and intrastate—has become more artificial than real, and serious conflicts have become more and more frequent.

Probably the most serious charge to be made against the dual system of regulation as employed in the United States is its inefficiency. It is unnecessarily costly, both to the government and the railways, and consequently to the people. Conflicting regulations and laws are passed by the various States through which the railways run, and it is often difficult, and sometimes impossible, for a railway to obey the law of one State without conflicting with the regulations of another. A prodigious waste of energy has resulted, and a corresponding loss of power to serve the public.

The railways and the public suffer from present conditions. Railway development has come to a standstill practically. The future of the country, and particularly during the next few years, demands a more enlightened policy. In the interest of New England, as well as in the interest of the whole country, we offer the following:

RESOLVED, By the Massachusetts State Board of Trade in convention assembled in the city of Springfield, December 28, 1916, that the act to regulate commerce shall be so amended as to confer upon the Interstate Commission final authority over all rates and regulations which affect interstate commerce, whether such rates apply to interstate or intrastate shipments; and that in the event of conflict of jurisdiction between the Interstate Commerce Commission and the Railway Commissions of the several States that the jurisdiction of the Interstate Commerce Commission shall be final and conclusive.

RESOLVED, That in order to attract the necessary capital and to provide for the development of transportation facilities to meet the rapidly growing commercial needs of the country, and to develop its resources, Congress should enact such legislation as

will restore the confidence of the investing public and guarantee the transportation service required to meet the needs of the public, and that this confidence can only be secured by giving to the Interstate Commerce Commission final and conclusive authority in the matter of issuance of all railway securities.

RESOLVED, That we favor an increase in the membership of the Interstate Commerce Commission from seven to nine members, as provided for in the bill which has passed the House of Representatives and is now before the United States Senate for final passage. The Interstate Commerce Commission, in a report just submitted to Congress, says:

"The New York, New Haven & Hartford Railroad system is made up of various formerly independent lines of rail and water carriers. By purchases and consolidations the New Haven Company has become the owner of various water lines, operated mainly between New England points and New York harbor, which compete directly with its rail lines between the same points. There is no question as to the competition, but the record is replete with evidence from shippers and representatives of communities in New England to the effect that the service is in the interest of the public, is of advantage to the convenience and commerce of the people, and if the present ownership and operation is discontinued there will be no reasonably adequate service to take its place and the communities will be deprived of the benefits of the water transportation and the competing routes, thus inflicting irreparable injury and benefiting no one.

We think that these facts should be brought to the attention of the Congress, so that in the light of those facts it may determine whether or not authority shall be conferred upon the Commission to permit, in such cases and under such circumstances, a continuance of the railroad ownership, control or operation of the water lines, subject to such further and different orders as the Commission may subsequently enter

upon a further hearing and a showing of substantially changed circumstances and conditions."

There is no need to add to the statement of the Interstate Commerce Commission, which discloses that the sentiment of the New England public is in favor of "giving to the Interstate Commerce Commission the power to continue the present situation of railroad control both of the Sound lines and the Lake lines as well." Therefore, be it

RESOLVED, That the Massachusetts State Board of Trade urge the Congress to pass the following amendment to the fourth paragraph of Section 5 (as amended August 24, 1912) of the Act to regulate commerce, as follows:

If the Interstate Commerce Commission shall be of the opinion that any such existing specified service by water other than through the Panama Canal is being operated in the interest of the public and is of advantage to the convenience and commerce of the the people, or that such extension will neither exclude, prevent nor reduce competition in the route by water under consideration, the Interstate Commerce Commission may, by order, extend the time during which such service by water may continue to be operated beyond July first, nineteen hundred and fourteen.

RESOLVED, That a copy of this preamble and these resolutions be forwarded to each member of the House of Representatives and the United States Senate and to the President of the United States.

(Signed) JOHN H. CORCORAN,
Chairman.

Other members of Committee on Resolutions as follows:

WILLIAM HENRY GLEASON, Winchester, Mass.
Representing Associated Industries.

JOSEPH WING, Brookline, Mass.
Representing National Wool Mfgrs. Ass'n.

GEORGE F. WILLETT, Norwood, Mass.
Representing Norwood Board of Trade.
HONORABLE FRANK E. STACY, Springfield, Mass.
Representing Springfield Board of Trade.
F. ALEXANDER CHANDLER, Boston, Mass.
Representing New England Hardware Dealers Ass'n.
GEORGE L. AVERY, Framingham, Mass.
Representing Framingham Board of Trade.
GEORGE C. MORTON, Boston, Mass.
Representing Paint and Oil Club of New England.

Chairman Whitcher: It is moved that these resolutions be adopted.

Mr. Corcoran: In considering this whole matter your committee has been guided by this one thought, of accomplishing something. If we reach out after too much we are apt to fall short. If it goes into effect and we find that these State commissions do not act, then we should surely favor regional commissions. But the thought of the committee was that we had better take one step at a time and progress slowly and surely. We do not want to take over from the State Commission all authority, for we know that it would be an impossibility to get through Congress an amendment to the Constitution for Federal incorporation. We have omitted that, but if it is the concensus of this meeting that it should be included the committee have no objections.

Chairman Whitcher: If Mr. Corcoran has no objections, the Chair would prefer to have action first on the acceptance of the report of the committee and afterward upon the adoption of the resolution, and with your permission, gentlemen, as Mr. Corcoran makes that motion, if it is seconded.

Mr. Gleason: I rise to second that, and to say that we felt that we wanted to leave out anything that might lead

to discussion or contention. We wanted to draw a set of resolutions that will include the opinion of every man in the audience, and we think we have done so.

Chairman Whitcher: Are you ready for accepting the report of the committee? Those in favor say "aye." (Motion carried.) The motion is carried and you have accepted the report.

Now, upon the adoption of the resolutions, Mr. Corcoran made the motion that the resolution be adopted. Is that motion seconded? (Motion seconded.) Shall we adopt them as a whole, or in any other form?

Member of Audience: As a whole.

Chairman Whitcher: Are there any remarks? Are you ready for the question? As many as are in favor of adopting the report of the Resolutions Committee as read say "aye." (Motion carried.) It is a unanimous vote in favor of the adoption of those resolutions.

Mr. Corcoran: This work has only begun, and I sincerely hope that the fifty-three affiliated bodies will take this matter up in their respective boards of trade. You gentlemen are well aware that the local board of trade has more effect on the Congressmen than any resolution we might offer, and we know we are sincere in this matter and I sincerely hope that the Secretary will take action and see if we of New England cannot accomplish something for our own field. If we cannot accomplish something with twelve Senators from New England it is New England's own fault and the fault of her business men.

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